

inema

Black magic by GEOFF BROWN

Wash (AA) Ritz
 Vices & Public Virtues (X) Prince Charles
 Night's Last Gleaming (AA) Odeon, Leicester Square
 Cassandra Crossing (A) Empire
 Billion (A) and Tentacles (A)
 General release from Sunday

The American cinema has rarely brewed such strange mixtures from Hollywood's old but, but the uniqueness and tenacity of Cor Wash (directed by Michael Schultz, written by Michael Schumacher) are outstanding. Out to say 100 per cent proof, the film is a masterpiece of the genre, a masterpiece of the genre, a masterpiece of the genre.

activist) without any wrong notes being hit. It's a film put together with manic glee and audiences should respond in kind.

Miklos Jancso's Private Vices & Public Virtues offers something completely different though not very different from Borowczyk's *Immoral Tales*. The country estate in which events take place is a dream-like playground, isolated from time and the outside world: the Prince and his fellow playmates (among whom is Mary, declared to be the "Baroness of Wales")

There is nothing more about Robert Aldrich, whose films have regularly offered their action straight from the shoulder. *Twilight's Last Gleaming* is no exception and has all the forward thrust of narrative that made *The Mean Machine* and *Emperor of the North Pole* such exhilarating experiences.

Lancaster is also to the fore in London's latest disaster movie. *The Cassandra Crossing*, made by the combined wit, wisdom and witless of Lew Grade and Carlo Ponti. The bulk of the action takes place on a trans-continental train zooming northwards from Switzerland with the starchy starchy passengers, including someone who contracted the plague while breaking into a Geneva Health Centre.

The simple tale is told through a feast of colour, music and movement. Tomislav Pintur's photography is radiantly attractive, whether the camera is outdoors (catching the shadow of the Prince stealing up on his wife behind a red parasol) or in

Irwin, the boss's son, is a pot-smoking Marxist, whose decision to join the workers is greeted with much derision ("Is he anything like Bruce Lee?"). Lady, the Car Wash girl, is about his "political hero". But the film offers more than cartoons funnelling the high links there's a good deal of sharp-eyed yet sympathetic observation, and performers and director do their job so well that a deeper point can be struck in the last few scenes (the breakdown of a bus, the early political

singing and dancing) in such a frolics. The music, too, is exemplary in its effect, from the natural rather than the artificially eccentric. The private vices referred to are the hedonistic pursuits of a Crown Prince somewhere in Middle Europe towards the end of the last century. The narrative details strongly suggest the Mayerling affair, but Jancso isn't working with specific historical materials. The country estate in which events take place is a dream-like playground, isolated from time and the outside world: the Prince and his fellow playmates (among whom is Mary, declared to be the "Baroness of Wales")

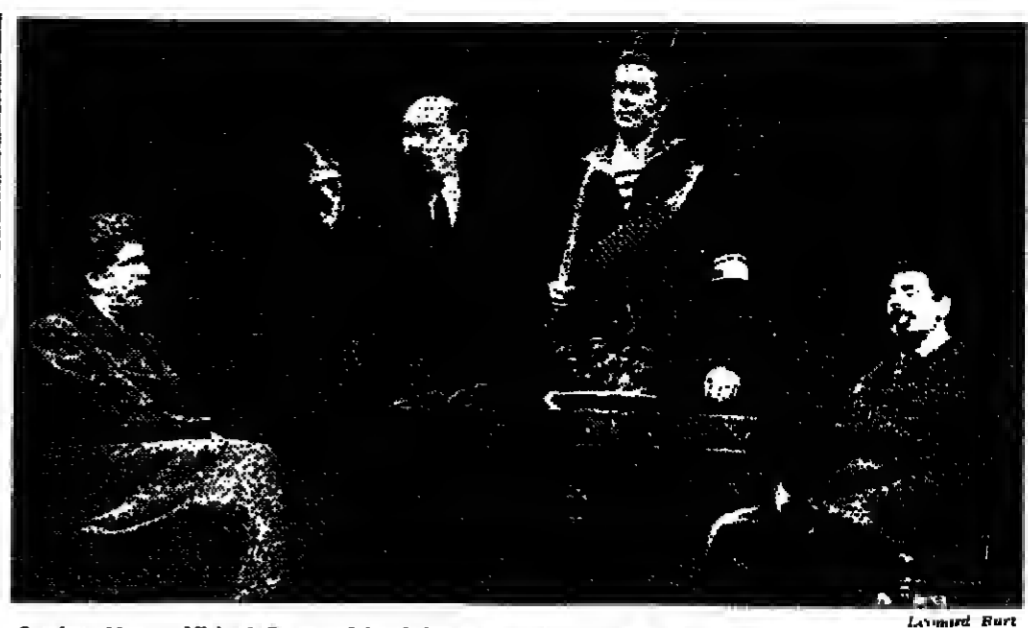
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amuse themselves by much naked prandings and coosings, blowing of huzzies and scattering of feathers—all in a mood of frenzied innocence. Drahly clothed messengers and soldiers arrive with letters—and finally bullets—to stop the sparkling revels and stamp out the revolutionary activities which threaten the ruling forces.

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Lajos Balazsovits and Therese Ann Savoy in 'Private Vices and Public Virtues'



Stephen Moore, Michael Bryant, John Labanowski and Terence Rigby in 'State of Revolution', which opened last night at the Lyttelton Theatre

War Music by B. A. YOUNG

Toby Robertson, as many of us know, has gone abroad in sundry directions to see the world, and he has returned with this production of *War Music*. The text consists of Christopher Logue's translation of the *Patroclus* and *Pax of Homer's Iliad*. William Louth and dancers of his Dance and Theatre Corporation have been called in for the choreography. Donald Fraser has been engaged to write and conduct the music, which is played by a small band, mainly of percussion, housed in a gallery flying above the stage; and Cary Kettel, formerly with the BBC Symphony Orchestra and the Fires of London, is the principal percussion player. Pamela Howard and Peter Eugene Ball have done the designs.

Elizabeth Hall Northern Sinfonia by DOMINIC GILL

The Northern Sinfonia have a well-deserved reputation for offering unusual and enterprising programmes, to London as well as in the provinces. Their concert of Wednesday night was an exception: a nice balance of old and new, familiar and unfamiliar, framed by Strauss's *Prelude and Dance* from *Avande* and Schoenberg's *Verklarte Nacht*, brightened by Gounod's *Little Symphony for Strings*, given depth and heart at its centre by Mozart's last piano concerto K595.

Soho Poly Tim Thomas by Michael Coveney

Tim Thomas is a talented composer of songs for fringe theatre. Most recently he has supplied material for *Suoo Wilson* and *Lamiere and Son*. His one-man machine show proves him to be an adept and agreeable performer with an off-beat sense of humour that sticks of Cambridge Footlights. The 15 items on the programme are divided between musical spoofs (Dylan, monophonic reggae and Bassey school of sentimental suffering), many tunes (Dylan's *People* and the eloquent singers of an unloved puppeteer) and narrative fantasy (explorers coming to grief in search of the Last Human Office).

Award for Chilingrian String Quartet

The Chilingrian String Quartet has been awarded the oldest *Microphone* award of the *Radio Espana* for 1977 for their recording of the *Arriaga* String Quartets Nos. 1, 2 and 3 (on RD 1012/3).

The Quartet have recently returned to London from their first tour of the U.S.

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Wigmore Hall The English Concert by RONALD CRICHTON

Mappin and Weh, the silver-smiths, are the appropriate sponsors for a series of Silver Jubilee concerts in the Wigmore Hall. These opened on Wednesday with a programme by the English Concert, every item in which had some royal connection. Trevor Pinnock, founder of the group and director from the keyboard, had made a good selection though, if the days immediately ahead bring us many more minor 18th century works as well as most of J. C. Bach's E flat Symphony from op. 3, loyalty will be strained.

Elizabeth Hall Musica Reservata

One of the first of England's early music groups, *Musica Reservata* has always been the toughest in sound, and the most uncompromising in its search for the original sonorities of its carefully chosen repertoire. Its six concerts devoted to early French music with a selection of chansons and instrumental transcriptions from the early 16th century.

R.P.O.'s 'Concerts for Commerce'

The Royal Philharmonic Orchestra's chairman and associate principal horn player, John Simson, announced on Tuesday the orchestra's 'concerts for sale' project. He spoke at Fairfields Hall, Craydon ("our second home") at a Press conference attended by representatives from Bailey Meters and Controls, Hill Samuel, GEC Marconi, Balfour Kilpatrick, Rohm and Haas, Natwest, Northern Rock Building Society and Australian Mutual Provident Society.

The main work was Mozart's Coronation Concerto, for which Mr. Pinnock changed from harpsichord to fortepiano. A grand showpiece for a royal occasion, planned on ample lines, full of sparkling passage-work that looks (and on occasion sounds) empty, except in the hands of a great pianist such as Curzon, who discovers undreamed-of kingfisher blues in the arpeggios and scales.

Mr. Pinnock, who as concerto soloist sometimes seems more detached than when he is performing, continued for his orchestra, played clearly, with charming embellishments, but his instrument refused to yield the colours that can be obtained from a modern piano. The handful of Baroque strings, neat and nippy in quick passages, sounded as if they were playing through a screen of mist. The horn instruments came through interestingly, but on the whole this wasn't quite the authentic revelation it promised to be.

The concert packages cost £800 and £750 each; the orchestra is offering firms a great deal in the way of promotional value if they will sponsor a Wednesday popular concert for just £800, or £750 for

fact is that various scissors have been snipping sections out of *Twilight* ever since it was completed. Aldrich himself suggested proceedings by removing scenes of the President's domestic life with the First Lady (Vera Miles). Then the English distributors, Hamdale, removed a further half-hour, well aware that the film had a gloomy reputation in America. The missing scenes have the effect of presenting the narrative with even more force than Aldrich intended, for the political context for it is absent. We are left a headlong incoherent rush of action, entwined with some doughty acting from Lancaster and some highly effective use of split-screen techniques, as we see multiple views of the same activity or the tangled, urgent conversations over variously coloured telephones.

More ancient plotlines appear in *Tentacles* (a fantastically shoddy Italian companion to *Jason*) and its far stranger partner, Mr. *Billion*, directed by Jonathan Kaplan and co-written with Ken Friedman. This should have had the exuberance and cohesion of *Car Wash*, but the mixture of pursuit thriller, espionage fab and parody western fails to reach boiling point. Terence Hill, doyen of bad European westerns, makes his American debut as the hued innocent promised an entire financial empire as a legacy. Jackie Gleason and Valerie Perrine are on hand to prevent him collecting. The film is highly erratic in inspiration, yet there's enough sly comic moments to keep anyone reasonably happy.

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	Up to £125	Up to £100
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EUROPEAN NEWS

Soares loses support in Parliament

Sr. Mario Soares' minority Socialist Government has been forced out on a limb following the decision of his Social Democrat and Christian Democrat opponents (the PSD and CDS), who hold 52 per cent of the vote between them and 113 seats in parliament, to set up a joint platform, writes Diana Smith.

Most importantly, PSD/CDS leaders announced last night that from now on, the Socialists cannot count on the sort of agreements which, in the past, ensured the Socialists' survival in Parliament. Until now, key Government Bills have been passed thanks to sporadic backing from either the PSD or CDS (or indeed from the 40-deputy Communist Party), thus allowing the 105-seat Socialists to override opposition.

Meanwhile, there have been violent clashes between Communist-backed farm labourers and the National Republican Guard in the Alentejo province. Portugal's grain belt near the town of Mora when Guardsmen attempted to restore to a farmer part of his land which had been taken over in the 1975 land grab and militantly - Marxist agrarian reform.

Schmidt censure

West German Opposition leaders said yesterday they would table a motion of censure against Chancellor Helmut Schmidt following a court ruling that he acted unconstitutionally when Finance Minister in 1973, Reuter reports from Bonn.

E. Germans arrested

Eight suspected East German spies have been arrested, the West German federal prosecutor's office announced yesterday, the latest episode in a recent major round-up of alleged Communist agents. Reuter reports. The arrests bring to 14 the number of alleged agents detained within the past three weeks.

Cyprus talks end

Intercommunal talks on the future of Cyprus ended today without a date being fixed for their resumption, Reuter reports from Cyprus.

POLISH DISSIDENTS

Making martyrs

BY CHRISTOPHER BOBINSKI IN WARSAW

POLISH officialdom parried death, published in a Cracow newspaper five days later on the day of his funeral, was that he had fallen down the stairs, a version made plausible by the high going to do them a favour by locking them up and making martyrs of them.

But now, after the death of a student WDC activist in Cracow and the questionable favour done by the committee members and sympathisers by arresting them, the authorities are going the right way about doing just that, and increasing political tension at the same time.

Since last June when the authorities tried unsuccessfully to increase food prices, neither the authorities nor Poles at large have been quite sure just how far the balance of power had shifted between the two sides. Trials and sackings of workers followed the demonstrations and young people mainly from Warsaw started to organise legal and financial aid for the victims. By September the young people had joined a group of respectable non-conformist intellectuals to form the Workers' Defence Committee.

The Committee set out to help the victims, to push for a parliamentary inquiry into allegations of police brutality against workers arrested, to secure the release of those in prison and the reinstatement of those sacked.

By going public the WDC deliberately set out to show, both the people and the authorities that there was nothing wrong in doing this kind of thing; indeed, by channelling resentment and protest, that it could be a positive force. Until the beginning of this month it did seem that the WDC had found a place for itself.

People donated money, the committee researched around a thousand cases of repression and paid out more than 24m zlotys to needy cases while along with the church it could credibly claim credit for the release of all but five of the workers still in prison.

The authorities, for their part, despite harsh noises and some extremely unpleasant police harassment, seemed to have decided that this was a pressure group they could live with.

All this changed when, on the morning of May 7, Mr. Stanislaw Pyjas a fifth year Cracow philology student and one of the most active of the WDC sympathisers at the university, was found dead at the bottom of a Cracow staircase.

The police version of the

last three months if not longer. The arrests of a literary critic and pen club member, Mr. J. Lipski, who has a weak heart and was waiting to go into hospital for an operation, will generate further protests.

Students are also expected to react although no one envisages anything as drastic as mass meetings and demonstrations.

But the reaction to Mr. Pyjas' death has been muted. Of the four memorial masses held apart from Cracow, the one in Warsaw had the highest attendance—around 1500.

The situation is different in Cracow where a Student Solidarity Committee has been set up which challenges the official student organisation and has some followers. The SSC is supported by the almost universal conviction that Mr. Pyjas' death was not an accident. The local authorities, it seems, are going to have to come up with some solution to the mystery. Notices have already appeared in the local Press asking people to come forward who may have seen Mr. Pyjas before he died. All the official statements stress that the investigation is still out over.

Despite the limited reaction among the working class, the care that the authorities took not to provoke any trouble in Cracow two weeks ago and last Friday in Warsaw during the memorial mass stems from the ever present danger of a wider coalition coming together against them.

All the elements of such a coalition were there during that weekend in Cracow. In the Cracow suburb of Nowa Huta, more than 40,000 people, mostly working-class, were attending the consecration of a church they had struggled to build in spite of obstruction by officialdom for 20 years. There was the working class, tired of continuing shortages, and there was the church, which has for the last 15 months been constantly urging the authorities in respect human rights and to stop relying on police repression.

In the centre of town thousands of young people were filing in a silent candle-lit procession through the streets to the walls of the royal castle. A declaration was read out instituting the SSC to help, defend those who suffer repression "for having the courage to manifest their own, independent beliefs."

The arrests produced the first protests by intellectuals last week when 17 writers demanded the release of those held. But since then it has become clear that they will be kept for a

the punishment of those responsible. In Cracow the students declared a boycott of the annual student rag scheduled for the week-end following the funeral and its success persuaded hardliners to arrest six committee members who were accused of attempting to make political capital out of a human tragedy. But in the circumstances it was a moderate reaction for while it has neutralised the most active members of the WDC it has also left the rag and the symphonisers at liberty. This controlled escalation was matched by the church which allowed a memorial mass for the dead student to be held in Warsaw, but left the final decision in the last moment, thus limiting the numbers present at what inevitably became a protest against the arrests.

Cardinal Wyszyński, speaking the evening before in Warsaw, did not hesitate to tell the authorities "not to be surprised by the agitation among young people who know their basic rights".

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EUROPEAN NEWS

Sharp rise in Italy's payments balance

Dominick J. Coyle
ROME, May 26.
 DETERIORATION in Italy's overall balance of payments account was reversed sharply last month, according to provisional figures. The deficit was Lire 316bn, against \$38bn, the previous month, more than Lire 700bn, in all of last year.

Agostino Stanzani, the deputy Minister, has forecast that the difficult period of the Italian lira has ended, though in fact the April improvement may be more transient than real.

The figures are understood to have benefited directly from an exceptional capital inflow as part of the Libyan deal with the Fiat motor group, apart from which it is clear that the short-term external indebtedness of the banking system is also tending to rise.

Italy's non-petroleum trading account continues in surplus, but the oil deficit is also rising, despite some reduction in net consumption. On balance payments account, the January-April deficit this year was Lire 987bn, (some \$127bn), an improvement of 17.7% over the corresponding four months of 1976.

The authorities will be looking anxiously over the next few months for further evidence of a general improvement in balance of payments terms, since it is expected that a number of special payments have been at work in recent months possibly to distort ordinary seasonal patterns.

There is also an amnesty in the capital and trade accounts.

These include the amnesty for the repatriation of illegally ported capital, and the amnesty for the return of assets and the amnesty for the return of assets.

Key Kremlin switch
 The chief of the Soviet Young Communist League has been elected to a key Kremlin post, a move seen as further evidence of a change in leadership.

Mr. Yevgeny Tyazhelnikov, 49, has headed the League since 1975. He is a member of the Politburo and has held the post since the death of Leonid Brezhnev.

The new post is head of the propaganda department within the permanent apparatus of the party's policy-making Central Committee.

DUTCH GENERAL ELECTION DETAILS

Unexpectedly large Labour victory

BY MICHAEL VAN OS
THE HAGUE, May 26.
 THE DUTCH General Election, which was completely overshadowed by the drama being played out in the north-east of the country, where some 150 hostages are being held at gunpoint by South Moluccans, has resulted in an unexpectedly large victory for the PvdA, the Labour party led by Prime Minister Joop den Uyl.

The results showed the big three groupings gaining their votes mostly from the smaller parties which, with the exception of the small Democrats '66, which gained three seats for a total of eight, lost 17 of their 25 seats.

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Swallowed
 The PvdA appears to have swallowed up supporters of most of the small radical Left-wing parties, including a past ally, the PPR, which had stated it would not be prepared to govern again with the Christian Democrats.

Very surprising was the extremely heavy losses of the Communist CPN. Its reward for a campaign to join in government with the Socialists was the loss of five of its seven seats.

As regards forming a Government, much will depend on whether the PvdA and the Christian Democrats, who together now command over two-thirds of Parliament's seats, can reach

Western Helsinki positions completed

By Malcolm Rutherford
THE WESTERN signatories of the Helsinki Agreement on Security and Co-operation in Europe have all but completed their negotiating positions for the review conference on the implementation of the agreement, the preparatory stage of which is due to open in Belgrade on June 15.

They remain uncertain, however, as to whether they will succeed in their aim of keeping the discussions between East and West below the level of polemics.

The biggest unknown factor is the attitude of the Soviet Union. Although the procedure for the review conference is laid down in the Helsinki Agreement the Russians have been indicating that they would like to see some changes.

In particular they appear anxious to avoid being put in the dock for their performance on human rights—one of the main issues covered by the Agreement.

To this end, they have been suggesting that the review conference should be given "a political concept". This is understood to be shorthand for an arrangement that neither side should be embarrassed by the meeting.

The Western response is that there already is a political concept. This consists of the procedures laid down in the Helsinki Agreement.

The Helsinki text calls for a "thorough exchange of views on the implementation" of the Agreement at a meeting "at the level of representatives appointed by Ministers of Foreign Affairs". The date, duration, agenda and other characteristics of this meeting, it says, should be decided at the preparatory meeting due to open in Belgrade on June 15.

The Western view is that the preparatory meeting should be completed by the end of July, and that the conference proper should open around the end of September and run for about three months.

The Russians, however, have said that it should last for more than six weeks, though even that is an advance on their previous position that it should last only a few days.

The Western side is also faced with a dilemma of how far it can press the Russians on human rights without provoking the breakdown of the conference. According to Western sources, the extent of Soviet sensitivities here is still unknown.

Fianna Fail would repeal anti-terror laws, says Lynch

BY GILES MERRITT
DUBLIN, May 26.
 CLAIMING certain victory in Ireland's June 16 general election, Mr. Jack Lynch, the Opposition leader today, unveiled the details of his Fianna Fail party's manifesto. The coalition Fine Gael-Labour Government, that last night announced the election date after moving to dissolve the Dail (lower house), is to reveal its counter-proposals tomorrow.

Looking unannounced and relaxed, Mr. Lynch told a Dublin Press conference "the political climate is in our favour". Although Ireland's pundits are already predicting that Mr. Liam Cosgrave's Government will be the first coalition administration in Ireland ever re-elected in a second term in office, Mr. Lynch said he believed a swing of 3 per cent in the key Dublin constituencies would mean victory.

Almost a quarter of the 26,000 or more voters in Ireland are school-leavers, all first-time voters, many of whom are having in mind with the Republic's serious jobs crisis. At the same time, Dublin, is being identified by both the Government and opposition parties as the crucial "win-or-lose" area of the election, and unemployment in the city has risen by 60 per cent in the past 18 months.

As part of its campaign programme, Fianna Fail has indicated that it will repeal the Emergency Powers Act, the legislation maintaining stringent anti-subversion measures introduced last autumn after the Provisional IRA assassinated Mr. Christopher Ewart-Scott, the British Ambassador to Dublin. It would also "re-examine" the Criminal Law Jurisdiction Act, popularly known as the "no hiding place" law, jointly passed by Ireland and Westminster to ensure that terrorists cannot use the harder in evade justice. Mr. Lynch told reporters that the measure might be replaced by "all-Ireland courts".

Entitled An Action Plan for National Reconstruction, the Opposition's manifesto outlines ambitious economic plans that would combine major tax and rates cuts—notably the abolition of car tax on vehicles up to 15 hp—with an employment creation scheme aimed at producing 80,000 new jobs by 1980. Fianna Fail claims there are now 150,000 unemployed in Ireland, although the Government figure is 112,000 or 12 per cent.

W. German trade surplus down sharply in April

BY ADRIAN DICKS
BONN, May 26.
 WEST GERMANY'S trade surplus declined during April to DM2.9bn, from DM4.2bn reported in March. The April figures leave a cumulative surplus of DM11.9bn for the first four months of 1977, but do not seem to throw much light on the underlying trend.

Both imports and exports fell sharply in April, following equally abrupt increases registered in March from the February levels. Imports amounted to DM18.9bn, and exports to DM21.9bn, compared to DM21.5bn and DM25.3bn, respectively in March.

The April figures leave both imports and exports roughly where they were in February, 1976.

After taking invisibles into account, however, the payments balance showed a surplus of DM30bn in April, down quite sharply from the DM2.5bn of the previous month. The cumulative surplus for the first four months now stands at DM13bn.

Meanwhile, uncertainty about the direction of the West German economy is once again the principal message of the Ifo economic survey institute's latest survey of business opinion. The institute's time-honoured question of how companies view the business situation once again met with years 1977-80.

Belgian parties agree on European election system

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT
BRUSSELS, May 26.
 THE LEADING political parties in Belgium, which has been more deeply riven by internal disputes about regional power-sharing than any other EEC country except perhaps Britain, have reached broad agreement on the main elements of the electoral system for direct elections to the European Parliament.

Though there is no opposition inside Belgium to the principle of direct elections there had been some doubt about how rapidly the enabling legislation would be introduced and approved because of tensions between the Flemish and French-speaking sections of the population over how the seats should be allotted.

The resolution of these differences should mean that Belgium will be ready to take part in the first elections by the agreed target date of May or June next year. Inevitably, it leaves Britain looking even more isolated as the country which appears to face the most formidable obstacles in meeting the deadline.

It has been decided that Flanders and French-speaking Walonia will each elect candidates from separate lists using a system of proportional representation inside each region. Voters in Brussels, which is predominantly French speaking but located inside Flanders, will have no candidates of their own but will be free to vote for candidates on either list. The 24 seats will be allotted between the regions roughly on the basis of population.

Jonathan Carr adds from Bonn: The Bundestag today began the legislative procedure needed to prepare West Germany for direct elections to the European Parliament. It gave a first reading to the Bill ratifying the agreement on direct elections reached by EEC leaders last year. There is full accord among all parties on the principle of the elections, but differences remain between Government and opposition on the electoral system to be used.

Arab oil prices

Sheikh Zaid bin Sultan al-Nahyan, President of the United Arab Emirates, has called for a special meeting of Arab oil-producing countries to unify their attitude to oil prices, the weekly al-Hawadess said here yesterday. Reporter reports from Beirut.

Wage accord reached by Swedish private sector

BY WILLIAM DULLFORCE
STOCKHOLM, May 26.
 THE SWEDISH employers and unions this afternoon finally concluded a 1977 pay agreement for 1.3m. blue and white-collar workers in the private sector after seven months of increasingly intensive bargaining.

The last-minute agreement means that the lock-out of 220,000 employees planned for tomorrow and next week's scheduled strike by 270,000 white-collar workers have been avoided.

The 3,000 white-collar workers already on strike resume work tomorrow permitting domestic airline flights to resume. Swedish radio and television, which have been limited in news, music and repeat programmes, will return to normal broadcasting.

Agreement was reached after the white-collar federation PTK had given way on its demand for full compensation for its members for any wage drift advantage won by the blue-collar unions.

According to the employers, the new pay scales will increase companies' payroll costs by some 11 per cent this year. For the blue-collar workers the nominal increase, varying according to pay scale, averages out at 5.4 per cent, while the white-collar workers who get 2 per cent compensation for falling behind in salary last year, average 5.9 per cent.

The average white-collar worker will receive Kr 475,031 more a month and the average factory worker Kr 235 a month. The new pay scales are effective from May 15 and will not be retroactive in the beginning of the year.

Public sector workers will now start negotiating their pay increases. Already some stiff claims have come from nurses and local authority employees.

Don't judge a car by the best it will do. But the worst.



Drive a BMW Five Series through fog, sleet, rain and snow on motorways and winding lanes for about eight hours and you'll discover all there is to know about it—good and bad. Any situation has to be taken care of powerfully and effortlessly. Performance and comfort keep driver and passengers relaxed and refreshed.

There are five different power units for the Five Series ranging from 1.8 litre producing 90bhp to the 528's 2.8 litre, six cylinder engine producing 170bhp. All the engines give exceptional quiet—essential for quiet, powerful driving. The flexibility is best shown by the 528 which can accelerate smoothly and quickly in fourth from as little as 25mph to 123mph. The power is perfectly matched to the race-bred suspension. Even when the car is being driven quickly it is never pressed, speed is contained so efficiently that the driver has the feeling of absolute, and well-justified, confidence.

Inside there's ergonomically designed seating for five. Seating, comfort, ventilation and space are exceptional. Great attention has

been paid to the driver's position. He has an excellent view of the road and the sense of complete mastery over the car. The 528 has, as standard, speed related power steering—the power assistance is at maximum for parking yet reduces at speed to give road 'feel'.

As with all BMWs considerable research has gone into both 'passive' and 'active' safety. Should the worst happen the car has an overall integrated system to absorb impact energy. But the chances that this should happen are dramatically reduced because of the car's handling and response to the driver. The pleasure of driving the car also acts as a positive safety factor since it keeps the driver interested in and concentrating on the road.

The effect of the Five Series' performance in any conditions is to make even the most trying journey safer and shorter not only in real time, but also in the time one feels one has been driving. If, after such a journey you still feel that you could happily drive for another hour or so then the worst they offer must be very good. Such cars are the BMW Five Series.

SPECIFICATION RESUMÉ (MANUAL VERSIONS)

BMW	518	520	520i	525	528
Engine:	1766 cc	1990 cc	1990 cc	Fuel injection	2494 cc
Max. Speed:	101 mph	109 mph	115 mph	117 mph	126 mph
0-60:	12.9 secs	11.4 secs	10.8 secs	10.6 secs	9.0 secs
Fuel Consumption to DIN 70030:	29 mpg	26 mpg	30 mpg	24 mpg	21 mpg
Price:	£4,979	£5,729	£6,099	£6,999	£7,449

(BMW 520, 525, 528 Auto £390 extra.)



For the joy of motoring.

AMERICAN NEWS

Venezuela to spend \$1.4bn. on oil exploration, refining

BY JOSEPH MANN

A HIGH Venezuelan Government official told the Financial Times today that Petroven—the state oil monopoly—will invest some \$1.4bn. in oil exploration in 1978 for launch of a vigorous exploration programme and for modifying production lines in the country's principal refineries. The \$1.4bn. package would be in addition to Petroven's regular operating budget for 1978.

Argentine guerilla defeat

BY ROBERT LINDLEY

THE OLDEST Argentine revolutionary group which was still in action, the Marxist-Leninist People's Revolutionary Army (ERP), has been almost totally liquidated in the past 25 days.

Carter to block heavy spending

BY JUREK MARTIN, U.S. EDITOR

PRESIDENT CARTER warned Congress today he is ready to veto legislation which contains excessive spending. This was his first public and specific warning on the subject, though other members of his Administration have been co-sponsoring similar vetoes over the last couple of weeks.

U.S. missile curb hint

BY DAVID BELL

PRESIDENT CARTER today spelled out at a news conference the administration's tentative strategic arms proposals which, he said, might include some constraints on the development of the Cruise missile.

Sea law conference move

THE UNITED Nations Conference on the Law of the Sea has selected Mr. Jens Evensen, a Norwegian Minister, to co-ordinate negotiations on future exploitation of deep sea mineral deposits under international control.

Alan Riding examines corporate corruption in Mexico

Problems of honesty

THE RECENT Commons statement by Mr. Eric Varley, the Industry Secretary, that the British Government opposes all forms of bribery and corruption was received here with some interest.

American subsidiary managers with reputations as bribers were quietly re-assigned or fired. Several American executives in industries facing European or Japanese competition hoped the scandal in Japan and the Netherlands would lead to the establishment of common rules for all foreign investors.

There are two key areas of corruption involving the Government (although bribing in the private sector is not uncommon). One involves the Government's vast discretionary powers...

foreign company involved rarely gets into print. There are two key areas of corruption involving the Government, although bribing within the private sector is not uncommon. One involves the Government's vast discretionary powers, notably price controls, building permits, import licences and welfare inspections.

Guyana takes over Cable and Wireless

CARACAS, May 26.

THE Guyana Government has nationalised the local assets of Cable and Wireless (West Indies) Limited, and Georgetown correspondent reports that Compensation of about £200,000 has been agreed on and payment is to be made over five years.

Brazil probe

WASHINGTON, May 26.

THE case of a U.S. missionary becoming an American citizen earlier this month threatens to aggravate the already highly sensitive relations between the U.S. and Brazil.

U.S.-Cuba accord

WASHINGTON, May 26.

Cuban fishing vessels will be able to call at U.S. ports to repair and re-equip, equipment or repairs under a clear agreement between the two countries concluded last month and published here on Wednesday.

Car pollution vote

WASHINGTON, May 26.

THE U.S. House of Representatives was due to vote shortly on whether to allow the U.S. motor industry more time to meet exhaust pollution standards.

U.S.-Thai relations

WASHINGTON, May 26.

THE U.S. aircraft carrier Constellation arrived yesterday on a goodwill visit to Thailand.

OVERSEAS NEWS

Palestinians mass in south Lebanon as tension rises

BY HSIAN HIJAZI

REINFORCEMENTS of Palestinian guerrillas have been sent to southern Lebanon during the past week in anticipation of rising Middle East tension following the victory of Likud in Israel's elections, according to well-informed diplomatic sources.

Likud Government might launch a pre-emptive strike against the Arab states. This, he said, would probably begin in south Lebanon. He spoke in Beirut on Wednesday night before going to Cairo to meet President Sadat.

They said heavy 55 mm. guns were used in the shelling of Nabatyeh which currently is the main Palestinian stronghold in the area after the departure of most of the civilian population.

Citibank investment talks in Vietnam

BY PHILIP BOWRING

A SENIOR official of Citibank has become the first U.S. businessman in more than two decades to visit Hanoi for discussions with senior Vietnamese officials, according to the latest issue of the Far Eastern Economic Review.

S. Korea in nuclear arms bid

HONG KONG, May 26.

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Salisbury meeting start

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A SPECIAL Anglo-U.S. diplomatic team opened talks with Rhodesian officials today on the country's future. The team, led by British envoy John Graham and the U.S. ambassador to Zambia, Mr. Stephen Lowis, is seeking ways to a negotiated settlement and transfer to majority rule in Rhodesia.

Zambesi clash

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Eritrean guerilla unity attempt

BY OUR OWN CORRESPONDENT

TWO RIVAL Eritrean guerrilla movements, under heavy pressure from Arab states to resolve their differences, were today holding talks in Addis Ababa to discuss a joint front against the Ethiopian military-backed Government.

Eritrean guerilla unity attempt

BY OUR OWN CORRESPONDENT

past few months, both sides have met several times in Desemuss and inside the province in an attempt to heal a rift which began when the Merkit group split away from the ELF in 1970.

Eritrean guerilla unity attempt

BY OUR OWN CORRESPONDENT

force of 7,000 men based in the Sudanese-Eritrean border region, was until recently totally rejected by the Marxist faction which branded him a reactionary.

REPORTING ON CHINA

The writing on the wall

BY COLINA MCDONOUGH

British groups scattered over the various universities. They live in slightly less squalid conditions than their Chinese counterparts (with, for instance, more heating and better dining). And, although they try to be good, they are not always successful.

The broad-and-butter source of information are the provincial radio broadcasts. Each one of the 29 provincial-level administrations has its own radio station which puts out local newspaper editorials, comment, local news, its own interpretation of the current national campaigns and reports on local rallies, conferences and production.

Local radio sometimes shows remarkable differences both from one another and from the national broadcasts. These are good guides to the political colour of that particular provincial leadership. The differences are of course subtle and a province will seldom avoid discussing altogether a slogan or campaign it is supposed to support.

There is no such thing as a free lunch. The people may sometimes be hungry but no-one starves if they die the news would soon get out. It did in 1961 despite a population growth that until recently, when family planning began to take effect, was probably adding about 10m. annually.

Advance

For resident foreigners the situation is only slightly different. Diplomats and journalists have official Chinese counterparts: interpreters, teachers and household staff. They even have children, some of whom go to Chinese schools.

Discussing

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Documentary

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Young says no blanket S. Africa sanctions

BY BRIDGET BLOOM, Africa Correspondent

IF SANCTIONS were to be introduced against South Africa they should be tied to limited objectives rather than being a "blanket" nature, Mr. Andrew Young, U.S. Ambassador to the United Nations, said yesterday.

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World Rolls-apply... S. Africa... S. inter... the may...

John 13:20

Copy 1250

WORLD TRADE NEWS

Rolls-Royce in talks on supplying Airbus engines

MICHAEL DONNE IN LONDON AND DAVID CURRY IN PARIS
POSSIBILITY of Rolls-Royce RB-211 turbo-propellers being used as an alternative power-plant on the European A-300...

Kuwait 'buys Vosper gunboats'

By Roy Rogers, Shipping Correspondent
VOSPER THORNYCROFT, the Southampton-Portland shipbuilders, may have won a contract for 10 fast patrol boats for Kuwait worth more than £100m...

Bankers 'watchful but not alarmed' by Turkish debt position

BY METIN MUNIR, ANKARA, May 26.
THE ATTITUDE of international bankers here towards Turkey's difficult and worsening hard currency position is one of "watchfulness"...

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Members of the Transline Group of Companies

ECGD move on currency risk

By MARGARET HUGHES
EXPORT CREDITS guarantee payment of sterling contracts. The ECGD is now drafting proposals to remove a major restriction which contractors have to accept...

Interim team to manage Kenana

By Alan Darby, KHARTOUM, May 26.
THE KENANA Sugar Company's shareholders meeting, which terminated Lord's management contract with the company last week, appointed the chairman of the Hawaiian-based Alexander and Baldwin, Mr. Wayne Richardson, to be among the four-man transitional committee that is now running the company.

600m Singapore plant approved

CHARLES SMITH, TOKYO, May 26.
A JAPANESE Government decision to give its support to a \$600-million petrochemical plant to be built in Singapore...

U.K. to investigate lifting gear imports

Financial Times Reporter
MR. EDMUND DELL, British Trade Secretary, has decided that there is sufficient evidence of dumping and material injury to undertake a full anti-dumping investigation into imports of hydraulic lifting gear from Sweden...

U.S. interest in coal process

By DAVID BELL, WASHINGTON, May 26.
CONGRESSIONAL sub-committee was today hearing a presentation by a British firm of a new process which it might sell its new process to reduce by two-thirds the cost of meeting strict American environmental standards for burning coal...

Brazil may seek change in EEC pact

By DAVID WHITE, RIO DE JANEIRO, May 26.
BIL may seek alterations in the bilateral trade agreement with the EEC, one to be renewed with the Foreign Ministry said today.

Who offers you more comfort between Britain and Germany?



Choose your Airbus connection in our Yellow Book.

Relax in the wide-bodied comfort of Lufthansa's European-made Airbus which operates from Heathrow to Frankfurt. Daily flight LH037 from Heathrow 19-00, arriving Frankfurt 20-25, returning next day LH034 16-35 and arriving Heathrow at 18-10. Ask your travel agent or Lufthansa for the Yellow Book.



Lufthansa German Airlines

HOME NEWS

Drop in manufacturers' capital spending

By Michael Blanden

CAPITAL SPENDING by manufacturing industry dropped in the first quarter of this year, contrary to general expectations of a recovery in investment. The official view is that the disappointing results of one quarter do not indicate a reversal of the recent upward trend. But it is clear that there will have to be substantial growth in the next few months if the Government's projected rise in investment is to materialise.

Manufacturers' stocks rose by over £200m in the first quarter. Stocks of all assets seem to have increased, with holdings of materials and fuel up by about £200m after the heavy destocking in 1975 and 1976, work in progress up by about £90m, and finished goods by about £70m. This rate of stocks to output continued to increase. It is put at 103.8 at the end of March compared with 102.6 at the end of December. There is some suspicion that the rise in stocks could be partly a reflection of depressed consumer spending.

Table: CAPITAL SPENDING AND STOCKS (£m. seasonally adjusted at 1970 prices). Columns: Fixed Capital Expenditure, Manufacturing, Total, Changes in stocks, Manufacturing, Materials & fuel. Rows: 1974 1st, 2nd, 3rd, 4th; 1975 1st, 2nd, 3rd, 4th; 1976 1st, 2nd, 3rd, 4th; 1977 1st.

New junior accounting exam likely

By Michael Lafferty, City Staff

DISAGREEMENTS between some major accounting bodies likely to end in the establishment of a new junior accounting qualification which would compete with one already operated by the Association of Certified Accountants. The bodies which do not want to join in with the Certified Accountants scheme and are planning a common junior accounting qualification of their own are the English Institute of Chartered Accountants, the Institute of Cost and Management Accountants and the Chartered Institute of Public Finance and Accountancy.

Review body attacks doctors' pay structure anomalies

By Stuart Alexander

SERIOUS DISTORTIONS caused by the way in which the new contract for junior hospital doctors and dentists has been implemented are criticised in the seventh report of the Review Body on Doctors' and Dentists' Remuneration published yesterday.

There are no surprises in the report, parts of which had already been leaked. The recommendation of a back-dated £208 award is exactly in line with Phase Two of the pay policy. The increases are effective from April 1, a year after the doctors' and dentists' last pay increase.

Chocolate price rise likely to be 30%

By John Edwards

CHOCOLATE PRICES were likely to rise by at least 30 per cent on average this year, compared with last year, because the cost of cocoa has quadrupled in the past 12 months. Mr. Gareth Hunt, marketing director of Cadbury-Schweppes, forecast yesterday. The most serious rise was on a year-to-year basis, and any direct price increases by chocolate manufacturers in the next two or three months were likely to be between 10 to 15 per cent.

Engineering orders on hand 30% below 1973 peak

By Kenneth Gooding, Industrial Correspondent

THE difficulty the engineering industry is having to climb out of the recession is reflected in the Department of Industry statistics published today. They show that order books in February were only 3 per cent in volume better off than at the depths of the trough in demand last summer.



MR. BARRIE HEATH "Year will be demanding"

Shirley Institute considers wider role

By Rhys David, Textiles Correspondent

THE MANCHESTER BASED Shirley Institute, one of Britain's main textile research associations, is expected shortly to complete a major review into whether it should safeguard its funds by fundamentally changing the scope of its operations. The institute, in spite of an unexpected return to profitability last year after a loss in 1975, warns that the present base from which it is working cannot be considered satisfactory.

Delivery men bar 10p loaf

By Elinor Goodman, Consumer Affairs Correspondent

THE BREAD delivery men's union again intervened yesterday to stop a supermarket selling cut-price bread. The Astromarket discount store in Essex was told by shop stewards from the Union of Road Transport Workers that it would not accept bread deliveries if it continued selling at 10p a loaf.

Prescription cash call

By Our Labour Staff

THE GOVERNMENT was warned yesterday that the availability of doctors' prescriptions to the public could be jeopardised if chemists were not paid more by the National Health Service for dispensing medicine.

Mason to meet Paisley to-day

By Our Belfast Correspondent

THE FIRST meeting between Mr. Roy Mason, Northern Ireland Secretary, and the Rev. Ian Paisley since the end of the abortive 11-day loyalist strike will take place to-day. Mr. Paisley has kept up pressure for improvements in security in the wake of the failure of the stoppage to bring major concessions from the Government.

New Army leader for Ulster

By Giles Merritt

THE NEW British Army General Officer Commanding in Northern Ireland, Major General Timothy Creasey, 54, is expected to take over from the present GoC, Lt-General Sir David House, in the autumn.

Report on GLC by end of year

By Stuart Alexander

THE Marshall Report on the future shape of the Greater London Council should be published in outline by the end of the year. It will come after an inquiry, promised by the ruling Tory party, in which Sir Frank Marshall, a Leeds solicitor, hopes to receive evidence from Whitehall, MPs, other boroughs, institutions and the public.

Hovertrains ruled out

By Ian Hargreaves, Transport Correspondent

BRITAIN WILL neither need nor be able to afford a hovertrain alternative to British Rail's existing high-speed train technology this century, according to a White Paper on advanced ground transport published yesterday.

Gateways may switch stamps

By Elinor Goodman, Consumer Affairs Correspondent

GATEWAYS, the West Country supermarket group which took over Green Shield's mats trading stamp competitor two years ago, is expected to announce to-day that it is dropping its own Pink Stamps from most of its stores and going over to Green Shield Stamps.

Market losses

It was pointed out that, in any event, market losses by chocolate products would be made up by increased sales of sugar confectionery, the prices of which are expected to rise by only 8-9 per cent, well below the anticipated retail price index increase forecast at 17 per cent this year.

Jackson confirms closure

JACKSON the Tailor, part of the Burton Group, yesterday confirmed that it is to close one of its two factories in Sunderland because of a recession in the clothing industry.

Machine tool orders up but companies sombre

THE MOOD of machine tool manufacturers remains sombre in spite of a strong surge in new orders at the beginning of the year, confirmed to-day by Department of Industry statistics. At £108m, in present value terms, total new orders received by the industry in the three months to February were 20 per cent ahead of the previous three months and 35 per cent up on the same period a year before.

cent. (to £95.1m.), while home order books eased a little. The mood of the industry reflects the feeling that there will be no boom in demand for machine tools this year and that manufacturers will have to continue to fight hard for every order they get from either home or abroad. One executive said last night: "There has been a tremendous amount of energy expended on dealing with inquiries but there has been a marked reluctance among customers to put pen to paper and actually sign orders."

Century oils waits for merger report

By Ray Dafer, Energy Correspondent

CENTURY OILS should hear within the next fortnight whether or not it has won its fight to remain independent. The Monopolies and Mergers Commission has prepared its report on British Petroleum's proposed £4.2m. take-over of Century.

Westinghouse suit

AMERICAN court orders requiring production of documents and evidence in England for use in a libel damages action begun in the U.S.A. against the Westinghouse Electric Corporation were upheld, with variations, by the Appeal Court in London yesterday.

2,000 lay-offs

Two thousand workers at three Midlands factories are to be laid off for a fortnight because of a drop in orders to Decca the giant electrical group.

Mr. Roy Hattersley, Secretary for Prices and Consumer Protection, received the Commission's recommendations on May 4. The Prices Department said last night that the report would be published as soon as possible. Mr. Charles Mitchell, chairman and managing director of Century, said that he was optimistic that the Commission would support his company's opposition to the bid. The original offer, made in November last, was submitted by BP on behalf of its Alexander Duckham subsidiary. BP said that it saw Century with its annual turnover of £14m, mainly coming from industrial lubricants, as a complementary business to Duckham, which is stronger in motor lubricants. Mr. Hattersley decided to call in the Monopolies Commission on the grounds that Century had total assets in excess of £20m, and that the criteria for referral.

Airport limits proposed

By Michael Dome, Aerospace Correspondent

THE DEVELOPMENT of Heathrow passenger terminal 4 should be permitted in spite of the growing congestion at the airport, but further development beyond that should be resisted and much greater use made of Gatwick to the south of London and Stansted to the north. These views are conveyed to Mr. Edmund Dell, Secretary for Trade, by Lord Porchester, chairman of the South-East Economic Planning Council following a visit by the Council to Heathrow. Lord Porchester points out that air traffic into London is again rising strongly, and even completion of the current modernisation work at Heathrow will not meet the rising demand for much longer.

Facilities

He says that the Council's visit to Heathrow demonstrated the vital importance of the fourth passenger terminal—planned to be built on the southern side of the airport—"if chaotic conditions are to be avoided in the future. The Council now considers that approval for its construction should be given without delay."

Since taking over the Pink Stamp business, Gateways has cut the number of unprofitable stamp business customers and reduced its sales force.

It has also experimented with stamps which are redeemable for cash rather than gifts and it may be that if its new stamps are still wanted, Pink Stamps next year the would be offered some new kind of deal. In spite of Tesco's views about trading stamps, Gateways is still convinced that they are an efficient way of building business. Like International and Budegas, it will presumably hope to pick up disappointed Tesco stamp collectors on June 8.

Handwritten signature or mark at the bottom of the page.

British airways ANNOUNCE

Friday, May 27, 1977



Special economy-fare cabins in 747s make it easier to work A TOUCH OF CLASS FOR EXECUTIVES

Shirley
Insti
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o. 22



More services to Scandinavia

THE DEMAND for flights to Scandinavia, from businessmen and tourists, has never been greater and British Airways is meeting that challenge by offering even more services to the most northerly part of Europe. Since May 2, Stockholm has had twice-daily flights from Heathrow with the introduction of a new flight at 11.40. On May 30, the London-Oslo service is being stepped up from seven to 12. There are flights from London to Gothenburg every day except Saturday. Copenhagen has a twice-daily service from London, with wide-bodied TriStars operating the afternoon flight every day except Saturday. A daily service to Helsinki leaves London at 11.30. First-Class facilities are available on all flights from London. Scheduled flights to Copenhagen also leave from Manchester on Wednesdays, Thursdays and Fridays at 11.50.

EXECUTIVE TRAVEL with an extra touch of class is now available on British Airways 747 jumbo flights to nearly 40 destinations worldwide. After a year-long experiment with an Executive Cabin on board the London-Hong Kong service, British Airways has now introduced the facility on almost all its scheduled 747 flights.

For the cost of a normal economy ticket travellers are offered the opportunity of a seat in the Executive Cabin, which is situated immediately behind the First Class area.

Designed chiefly for the business traveller who wants to work in peace or just relax in a tranquil atmosphere, the Executive Cabins are curtained off from the rest of the economy area.

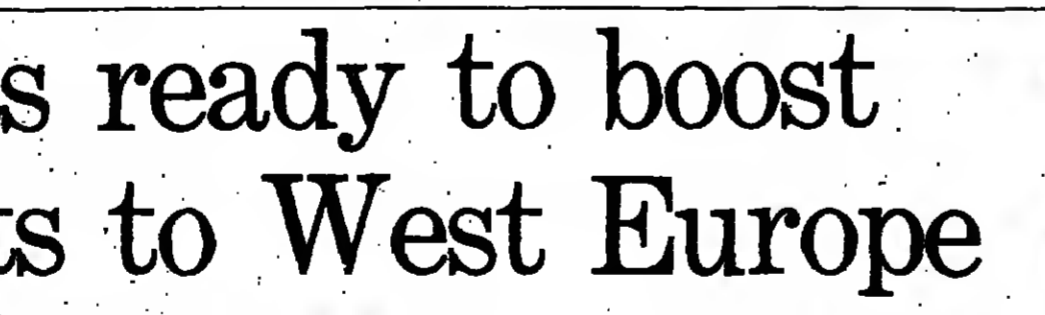
Service
The 48-seat cabin gives passengers the choice of smoking or non-smoking areas.

There are several pleasing touches—early choice of duty-free goods, early service of food and drink, hot linen towels, more newspapers and magazines. Because the Executive Cabin is aimed at the business traveller, there is no inflight movie in the executive cabin but, if space is available, arrangements can be made to see a movie in the main economy cabin.

Relaxing
“The Executive Cabin is another example of our determination to make life in the air even more comfortable and relaxing.”

But because only 48 seats are available on each flight it is essential to request the Executive Cabin when booking on a British Airways 747 service. Seats cannot be guaranteed. Passengers, therefore, are advised to check in as early as possible.

Routes
Executive Cabins will be provided on all British Airways 747 routes between Britain and the Middle East, India, Far East, Australia, Canada, Caribbean, East Africa, South Africa and the Indian Ocean Islands. They will also be provided on all USA routes except between London and Chicago.



Cartoon by Ross

Flights ready to boost exports to West Europe

LAST YEAR British exports to West Europe— from Holland down to Spain and Portugal—were a record but not good enough to offset imports. In 1977, with the home economy showing favourable signs, it is even more vital for British business traveller to step up the export drive to these important markets.

British Airways is doing all it can to assist the export push. More flights than ever are operating into West Europe at times to help the business traveller, and TriStar now flies to Amsterdam.

OF course, London Heathrow is the traditional departure point for European travellers. But British Airways is also concentrating on improving direct services into Europe from regional airports.

FRANCE is Britain's biggest market in this part of Europe but last year we imported £381 million more from our cross-Channel neighbours than we exported.

Now British Airways has seven summer flights a day to Paris, starting at 0800 and every two hours until 1800 with an additional 2030 service. TriStars will be operating on four of the weekday flights.

Birmingham, Manchester, and Cardiff/Bristol all have Paris-bound flights most weekdays and regular services

...and a touch of class for the girls' uniform



THIS IS the new air of elegance for stewardesses and ground customer service girls. The pin-stripe styling gives the uniform a classic British look. The complete uniform—which also includes trousers, a dress, a topcoat and a raincoat—was designed by Baccarat Wetherall after consulting hundreds of girls who work for the airline around the world. Eighty girls will wear the uniforms in test trials this summer, and the issue of the uniform to the other girls will start next year.

Companies can take a load off their minds

IT IS all very well concluding a dollar earning Transatlantic export order but often the problem can be in meeting those promised delivery dates. The Americans quite rightly expect prompt deliveries and that is where British Airways vastly experienced Cargo experts can step in to save the day. Now you can fly your goods to the USA cheaper than ever before and, of course, flying is the quickest way to get them there. In fact, some of British Airways new contract rates can be as cheap as sending them by ship. For example, to Boston it costs only 30p a kilo. (For containerised cargo subject to a contracted minimum annual tonnage) And British Airways 747 passenger services can carry up to 16 tonnes of exports. There are two 747 flights from London to New York every day and one to Boston, Detroit, Philadelphia, Washington and Miami. New York also has nine 707 all-freight flights a week, each with a 28 tonne capacity. Cargo can also be sent on flights from Manchester and Prestwick. Further information is available from your local British Airways Cargo office or cargo agent.

For reservations or further details, see your travel agent or British Airways shop

HOME NEWS

Penalties for late returns

Financial Times Reporter
DIRECTORS and other company officers who are persistently late in filing statutory returns with the Registrar of Companies could face disqualification from being directors or managers under provisions of the Companies Act, 1976, which take effect on June 1.

Exchange control change could have big impact

BY MICHAEL BLANDEN
A CHANGE in the official practice on exchange control regulations announced yesterday could have a big impact on U.K. holders of foreign securities.

depositories, such securities are technically not eligible for the investment currency premium on the proceeds of sale. The Bank of England, however, has so far been giving special treatment in certain circumstances.

Assembly idea dropped by SNP

BY RAY FERMAN
THE Scottish National Party threw down the gauntlet to the Government yesterday with a declaration from Mrs. Merogo MacDonald, senior vice-chairman, that the price of devolution was too high.



Mentmore's Madame De Pompadour painting on display at the National Gallery.

Mentmore Drouais at National Gallery

By William Facker
The pick of the collection from Mentmore, a large full-length portrait by Francois Hubert Drouais of the aging Madame de Pompadour, began to show in the National Gallery.

Schimmelpenninck cuts prices of its cigars

BY STUART ALEXANDER
PRICES OF Schimmelpenninck cigars are to be reduced by between 5p and 20p a pack because of a switch in U.K. law.

The Queen to open air terminal

By Ray Ferman
THE QUEEN will open the new terminal building for Edinburgh airport to-day. With the new runway opened last year it will cost £15m and means the airport has almost a new airport.

TREND OF INDUSTRIAL PROFITS ANALYSIS OF 254 COMPANIES

The Financial Times gives below the table of company profits and balance-sheet analysis. This covers the results (with the preceding year's comparison in brackets) of 254 companies whose account year ended in the period between July 15, 1976, and October 14, 1976, which published their reports up to the end of April, 1977. (Figures in £000.)

Table with columns: INDUSTRY, No. of Cos., Trading Profits, Profit before Int. & Tax, Pre-Tax Profits, Tax, Earnings per Share, Dividends, Cash Flow, etc. Rows include BUILDING MATERIALS, CONTRACTING & CONSTRUCTION, ELECTRICALS, ENGINEERING, MACHINERY TOOLS, MISCELLANEOUS GOODS, TOTAL CAPITAL GOODS, ELECTRONICS, HOUSEHOLD GOODS, MOTORS & COMPONENTS, MOTOR VEHICLES, TOYS AND GAMES, etc.

NOTES ON COMPILATION OF THE TABLE

The classification follows closely that of the Institute and Faculty of Actuaries, which has been adopted by the Stock Exchange Daily Official List. Col. 1 gives trading profits plus investment and other income property belonging to the financial year covered.

One option

Mrs. MacDonald said it would have been very sensible to have an Assembly, but if we are not to have one, then we must start persuading the Scots that there is only one option—it is called independence.

British genius on show

ELEVEN NOBEL prize-winners met yesterday at the launching of the British Genius Exhibition, a Jubilee year celebration, which it is hoped will attract a million visitors.

Use oil wisely

BY JOHN ELLIOTT, INDUSTRIAL EDITOR
NORTH SEA oil was Britain's gear up our country for the thalassic century to sort out its economic problems and, therefore, should not be used for a "consumption bonanza".

SCOTT & ROBERTSON limited SUBSIDIARY COMPANIES Tay Textiles Limited, Thomas Boag & Co. Ltd., Trevor Jones Ltd. PRELIMINARY RESULTS FOR year ending 28th February, 1977. Includes financial data for Group Turnover, Profit Before Taxation, Profit After Taxation, etc.

American Express Fee Notice with effect from June 1st 1977 the annual renewal fee for the American Express Card will be increased from £7.50 to £10.00.

Oil co in Jan

HOME NEWS

Oil consumption falls 1% in January-March

By Ray Dafter, Energy Correspondent

CONSUMPTION dropped in the first three months of this year... a further setback for the industry, which has seen demand falling consistently since 1973 crisis.

per cent. higher, most of this increase being due to the 1.1m. tons rise in power station consumption. Deliveries to industry were 12.3 per cent. up, continuing the month-on-month increase started last autumn.

INLAND ENERGY CONSUMPTION

Table with columns: Total, Coal, Oil, Gas, Nuclear electricity, Hydro-electricity. Rows for years 1971-1977.

Production hold-up in Forties

By Our Energy Correspondent

THERE WAS a mild hiccup in the build-up of North Sea oil production last month. Department of Energy figures show that output in April averaged 718,000 barrels a day, virtually the same figure as in March.

Redpath Dorman yard finishes last North Sea platform

By Ray Dafter

ANOTHER North Sea platform construction yard ran out of work yesterday when a structure for the Norwegian sector was towed away from Redpath Dorman's Methil site in Fife.

Airport noise grants raised

GRANTS to householders living near Heathrow and Gatwick airports to sound-proof their property are to be increased by nearly one-third from next week.

Further fall in sterling forecast

By David Freud, Industrial Staff

A FORECAST that sterling would decline to about \$1.86 by the end of the year from its present level of just under \$1.72 was predicted in London yesterday by a foreign exchange specialist.

Yen value

Both the other two weak currencies, the French franc and Italian lira, would continue to fall, he predicted. The yen was likely to exhibit a gradual appreciation of about 8 per cent. over the next year.

Commodity prices were likely to increase between 10 and 15 per cent. in the next year according to Mr. Robert Periman, chairman of Forex, in his assessment of oil and commodity prices and their impact on exchange rates.

divergencies between forward rates and the best available forecasts of future spot rates.

FINANCIAL TIMES The Management of Foreign Exchange Risks CONFERENCE

North-West recovery forecast

By Our Northern Correspondent

SLOW and gradual improvement in the North-West region's economic fortunes is forecast in an annual report published yesterday by the North-West Industrial Development Association.

Mr. Barry Hesketh, joint managing director of Forex Research, said at a conference arranged by the Financial Times and The Banker in conjunction with Forex on the management of foreign exchange risks that sterling would depreciate by about 4 to 5 per cent. over the next 12 months in terms of its effective exchange rate.

Oil, by far the most important commodity in international trade, would be the key factor that the solidarity of the EEC prices were likely to stay relatively stable over the next year because of the Saudi Arabian desire not to disturb the economic recovery of the Western world.

The system of having free movement of goods without free movement of capital is inherently unstable. We are moving from the system in which the current account is central to one in which the capital account plays a far more important role.

Advertisement for Bosch fuel injection systems. Text: 'For some, it wins races. For others, it saves petrol.' Includes image of a Bosch fuel injector.

How to do business in Australia & New Zealand

Advertisement for Bank of New South Wales. Includes map of Australia and New Zealand. Text: 'Ask the Bank of New South Wales'

Advertisement for Bank of New South Wales. Text: 'Our vast network of branches forms the largest, longest-established, free enterprise banking complex in this region.'

Fuel injection was originally developed by Bosch to provide extra horsepower. Now its fuel saving capacity makes it even more desirable. Fuel injection has other advantages too.

Over forty years of development Aviation was first to benefit from fuel injection systems. More than forty years ago they were helping aircraft achieve higher speeds and altitudes.

Over the years, Bosch have developed fuel injection systems to give higher performance and efficiency. Gradually the cost of these fuel injection systems has been significantly lessened with the result that fuel injection is today fitted to cars in the medium pricerange.

Moreover, in this age of escalating petrol costs, a further advantage is of even greater importance: fuel injection can cut petrol consumption by up to 10%.

Other benefits include purer exhaust, a better cold start and a smoother running engine.

The fuel injector supplies the engine with only as much fuel as it needs: always precisely the right measure for perfect combustion, whether the engine is cold, hot, idling, or running under a full load.

That is why the same technology can take a racing car over a finishing line sooner, and your own car to a petrol pump later.

The continuing development of fuel injection Bosch produced the first fuel injection systems for cars in 1951.

Today, Bosch produce two systems based on fuel and air metering mechanisms - K-Jetronic and L-Jetronic. Bosch are still developing even better systems.

Bosch can include almost every car manufacturer in Europe as customers.

There's more to Bosch than you think: Your car engine almost certainly has some Bosch parts; and it may well be tested by Bosch equipment at its next service.

Many of the goods people buy in their supermarkets have been packed with machines produced by Bosch. These provisions may be stored in a Bosch refrigerator or freezer in a Bosch kitchen.

Television viewers will have seen the Olympic Games through Bosch eyes, as many of the sporting events were televised by Bosch Fernseh cameras. News and entertainment in cars can be received with Blaupunkt auto sound systems.

Bosch electric power tools are at work on construction sites worldwide. Bathrooms and kitchens are equipped with Bosch fittings and built-in units. Deep-cooled blood stored in many European hospital blood-banks is restored to body temperature with Bosch medical equipment.

Bosch employs 5,700 people in research and development alone. Bosch have at present 10,000 patents throughout the world, with 15,000 pending.

Robert Bosch Limited, Watford, Hertfordshire



LABOUR NEWS

Bristow strike hits airport

BY OUR LABOUR STAFF

ABERDEEN AIRPORT became pilots' union deputy general secretary's victim of the North Sea hell- secretary yesterday met Trans- porters dispute yesterday when port and General Workers Union, the British Airways Authority shop stewards representing were announced that it will close the hars at oil refineries owned by airport indefinitely for fixed-companies served by Bristow flights from Monday.

The decision was taken after air unions affecting train airport firmen told the authority movements in and out of BP that they are withdrawing fire cover from the beginning of the week to support of more than 50 pilots on strike at Bristow Helicopters. The partial closure of Aberdeen is expected to cost the airport about £7,000 a day with a loss of 2,500 passengers carrying on passengers, cargo and company flights which will also be exempt from the closure of the airport.

At the same time, the British Airline Pilots Association, to which all the striking pilots belong, and Mr. Clive Jenkins, general secretary of the Association of Scientific, Technical and Managerial Staffs, called for a Government inquiry into the six-week dispute.

It hardly seems likely that an inquiry will be set up. Bristow has made it plain to the Advisory, Conciliation and Arbitration Service that it wants an independent arbitration in its dealings with the striking pilots. Mr. Douglas Bennison, the

Colliery managers resent treatment

By Alan Pike, Labour Staff

COLLIERY managers are becoming increasingly resentful at the difference in treatment from the National Coal Board between them and members of manual unions.

Mr. Norman Schofield, president of the British Association of Colliery Management, said yesterday: "The ready willingness of industrial unions like the National Union of Mineworkers to exercise their right to action appeared to give them a clear advantage when negotiating with the Board."

Mr. Schofield said at the association's conference at Donington, Isle of Man. "Rightly or wrongly, many members feel that every time the industrial unions nudge the Board moves over. Every concession to the industrial unions must be followed by a further concession to meet the avarice engendered by the preceding concession."

This week, the association, which recently affiliated to the TUC, will decide on industrial action in the form of working to rule, token strikes or total strikes. Mr. Schofield said that until recently the association had not thought it necessary to define its position on the issue but "the frustration, resentment and anger felt by members have forced us to reconsider and clarify our attitude to industrial action in the pursuance of our legitimate interests."

Loyalty of management staff in the coal industry was being sorely tested. Good relations were being jeopardised on the one hand by frustration over pay policy and on the other by the Coal Board's "obdurate and penny-pinching attitude" to observe Government policies.

TUC 'has not given unions lead needed'

BY OUR LABOUR CORRESPONDENT

THE TUC is accused today of failing to give its affiliated unions a lead in fighting unemployment and failing to insist that the Government honour its side of the social contract.

The criticism, the second of its kind in two days, comes from the Institute for Workers Control to a statement on unemployment signed by about 40 noted left-wing Labour MPs and trade union leaders.

Among the signatories to the statement, which launches a campaign for the return of full employment, is Mr. Moss Evans, who will succeed Mr. Jack Jones as general secretary of the Transport and General Workers Union next year.

Another is Mr. Gerry Gillman, general secretary of the Society of Civil and Public Servants, which yesterday published a detailed attack on the TUC in which it said the TUC was defending the Labour Government at the expense of the unions it represents.

To-day's statement from the Institute says: "Although the unions have registered disquiet at the failure of the Government to honour its side of the social contract, the TUC as a whole has, so far, failed to present a clear balance-sheet to its affiliates and has not given the lead which is needed."

Hawker union wins appeal

By Our Labour Staff

STAFF at Hawker Siddeley Dynamics of Hatfield, Herts, yesterday won their appeal against the Certification Officer's refusal to grant them a certificate of independence.

Their appeal—the first successful claim by a trade union—was upheld by the Employment Appeals Tribunal, which ruled that the Association of HSD (Hatfield) Employees was independent of employers' influence.

It means that the association is now entitled to certain rights under the Employment Protection Act, such as help to secure recognition, only available to independent unions.

Thames pay row keeps Sandown races off TV

BY OUR LABOUR STAFF

THAMES TELEVISION has again been forced to cancel programmes because of an industrial dispute by 34 production assistants. Transmission of racing from Sandown Park today will be replaced by an old film.

The dispute, which has caused the cancellation of several programmes, is over a pay claim for the production assistants. They want an extra £7.50 across-the-board increase to cover the use of new equipment.

Thames has been told by the Department of Employment that this can only be paid to the assistants when they use the new equipment, and not as a general increase.

Police vote against moonlighting move

BY DAVID CHURCHILL, LABOUR STAFF

DELEGATES TO the annual conference in Scarborough of the Police Federation decided yesterday against seeking changes in regulations to allow them to take extra jobs outside working hours.

The move to legalise what was claimed by some delegates to be widespread moonlighting was put forward because of police frustration at having their pay eroded by inflation.

It was felt that an extra job, which did not interfere with police duties, would help many younger members to maintain their standard of living. The federation has been fighting for the last year for pay and fringe benefit increases to help restore the real value of members' pay.

NUJ strike deferred pending further talks

BY ALAN PIKE, LABOUR STAFF

ABOUT 100 National Union of Journalists members employed by North of England Newspapers in the Darlington area yesterday deferred a strike over a non-member which was due to have started on Monday.

A meeting of the journalists voted to ask the NUJ emergency committee, which will meet next Wednesday, to approve the strike from next Friday unless the situation is resolved by then.

Mr. Ken Morgan, NUJ general secretary, will go to Darlington today for talks with the management of North of England Newspapers, a subsidiary of Westminster Press, and a meeting of the TUC printing industries committee is possible next week.

Power cut threat

Seven hundred power workers defied union instructions to return to work yesterday, threatening Southern Scotland with electricity cuts.

Leaders say 'No'

Leaders of the Post Office Engineering Union are advising members not to support a third pay policy, and have drawn plans for industrial action from October 1.

Bank hopes

Hopes rose yesterday (Thursday) that the dispute between the National Union of Bank Employees and the Standard Chartered Bank over a pension clawback scheme would end today.

Back to work

Construction workers are to recommence work on BSC's new Redcar blast-furnace after a 14-week strike.

Teenage plan

Support for the £168m. Manpower Services Commission plan to provide useful work for jobless teenagers has come from Mr. Geoffrey Clarkson, director of the Young Volunteer Force.

Over the limit

Pay rises over the incomes policy limit have been awarded to 409 women and 124 men at eight metal box factories by the Central Arbitration Committee, after the awards had been blocked by the Department of Employment.

GOLF: THE PENFOLD PGA

BY BEN WRIGHT

Oosterhuis squanders early gains to share lead again

PETER OOSTERHUIS let slip a glorious opportunity to take hold of the Penfold PGA championship at Royal St. George's, Sandwich, in the warm, comparative calm of early morning. He compiled a second round of 71 for a level par total of 140 to only share the lead with the blonde South African, Andries Oosthuizen, who has recorded identical scores but started 23 hours after his rival.

This pair had shared the overnight lead with the brilliant 20-year-old Spaniard, Severiano Ballesteros, but the latter was blown away on the ever-freshening wind to a second round score of 77. This makes a total of 146—one stroke worse than his older brother Manuel, Brian Huggett, too, is on 146.

Tony Jacklin (71, 72) and Ballesteros' Spanish world cup winning partner, Manuel Piñero (72, 70) have slipped in quietly to joint third place on three over par 143. This puts them one stroke ahead of the first winner of this event in 1975, the great Arnold Palmer, who played steadily for rounds of 73 and 71. Former schoolteacher John Morgan (70, 74) finished alongside the great American, the Tip Elston, one of the more promising British youngsters, never missed a fairway, but sank only two single putts in the worst of the wind. He played his best over round of 69 as a professional to be alongside the elder Ballesteros at 143. Also at this total so far are the Italian, wind later in the day that made Roberto Bernardini and Martin Foster, another young British hopeful.

The defending champion, Neil Coles, is on of several including Gary Player, at 147, while the immense personal pride of the leading American money-winner, Tom Watson, was in evidence in a second round of 71 that qualified him easily at 149 after putting on each green, missed a



A second round of 72 put Tony Jacklin in joint third place, one stroke ahead of Arnold Palmer.

his "jet-lag" disasters of yesterday. Oosterhuis had the start that everyone dreams about, but few can achieve on this magnificent links layout with its difficult bounces, humps and hollows and its mediocre greens. The latter have had no chance to recover from last year's drought and the miserable winter and spring that followed.

Oosterhuis birdied the first and second holes from 30 feet and 10 feet and made it a trio of birdies with a par at the third hole. All these were to be played in a strong left-to-right total so far are the Italian, wind later in the day that made Roberto Bernardini and Martin Foster, another young British hopeful.

Having got away to this wonderful start, Oosterhuis played really poorly around the Coles, is on of several including Gary Player, at 147, while the immense personal pride of the leading American money-winner, Tom Watson, was in evidence in a second round of 71 that qualified him easily at 149 after putting on each green, missed a

The Triplex Ten Twenty windscreen won the AA Gold Medal for safety. On your right, the reason why.



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Conventional laminated windscreen

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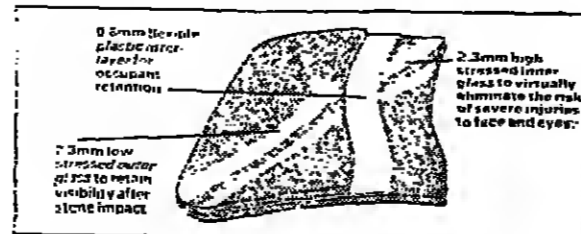
Triplex Ten Twenty is the safest windscreen available in the world.

The special feature of Ten Twenty is the inner glass. This is designed to fragment into fine, relatively blunt particles if struck by a head in an accident thereby virtually eliminating the risk of severe cuts to the face and severe injuries to the eyes.

Ten Twenty is the first windscreen ever to win the AA Gold Medal. The AA said that Ten Twenty "represents a really notable contribution to improved vehicle and road safety."

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Handwritten signature or mark at the bottom of the page.

The Property Market

BY QUENTIN GUIRDHAM

Spink moves to Hong Kong

Having presided over one of the largest disposal exercises by the second rank of British property companies, John Spink is leaving his executive job at Berkeley Hambro, taking up residence in Hong Kong and taking a greater personal role in about only a connection Berkeley Hambro only expanded in the past two years, its link with Swire Properties.

The move coincides with the flotation in Hong Kong of Swire Properties, which at the same time is making a bid for the minority public shareholding in Swire Cheung, Swire's already quoted property subsidiary. As a public and larger group, Swire Properties now wants its own management. This has, for the last five years, been contracted out to Hambro Properties, a French portfolio to a Dutch institution 80 per cent owned by Berkeley Hambro and 20 per cent by Swire. The contract will end next July. Spink, currently chairman of Hambro Properties and one of the deputy chairmen of Swire Properties, will then become the chief executive at SP.

The Swire issue is reckoned to be anything but overpriced at SHK2.75 a share, putting a value of SHK1.2bn. (£155m.) on the property group. The argument, apart from this being the colony's first new issue in three years, for the low price-earnings ratio of 9.5 runs that Swire Properties' profits are largely from trading. Those profits also come from the all front one scheme, the Taklao Shing Estate, the residential development planned eventu-

ally to include 10,000 apartments. It was to manage this huge redevelopment of surplus dock and warehouse land that Swire first tied up with Berkeley Hambro. In the last year and a half more than 3,000 of the flats have been sold for the equivalent of £62m., with reinvestment being mainly in the United States and the Pacific area.

Losing the management contract will make little difference to Berkeley Hambro's income, between £50,000 and £100,000 a year, and that might be recouped from the fatter dividend policy likely to be adopted in the public group. Besides, BH gets an immediate £1.3m. net from the shares it sells for the public offer.

Spink will remain a non-executive member of the BH Board, whose responsibilities have been much reduced with the two major Bishopsgate sales, a dilution of the U.S. interest and earlier this month the sale of the bulk of the company to a Dutch institution. Management for the Hambro Life Property Bond continues, as will end next July. Spink, does the rescue exercise for currently chairman of Hambro Investments, where Berkeley Hambro has the property responsibility, mostly now in joint companies, and where recent action has centred on the sale of share stakes in London Shop Property Trust and M.F. North.

But its role, he said, had been overtaken by recent developments. The Minister emphasised that his proposals did not mean an about turn for the LOB, merely an expansion of the activities which had so far been developed with such marked effect.

The new look Bureau will now be able to divert some of its attention to attracting international concerns and encouraging them to locate office employment in Great Britain. True, this will inevitably mean that in some cases, the virtues of London—until now a "no go" area—will have to be spelt out. This will also be the case when the LOB comes to Shore's second new task, promoting office employment in inner urban areas, including the capital.

But, the Bureau is equally adamant that its old role will from now on be expanded rather than reversed. It will, admittedly, find itself facilitating the relocation of some operations—British or foreign—in an area which was previously out of bounds. But its efforts and energies will be employed just as vigorously in promoting office employment elsewhere.

In the words of Prendergast: "I want to emphasise that our new terms of reference do not mean a reversal of our previous role, which centred on the narrow base of advising business management."

It is rather an extension of that base which now enables us to deal with firms throughout England and Wales as well as with international concerns and to offer advice on the location best suited to the particular firm in question, whether in an assisted area, an inner urban or elsewhere."

Prendergast believes that the confidence which the Government has in the Bureau's ability to provide employers with accurate, comprehensive, impartial and up-to-date information, which forms an essential part of any company's relocation decision.

There must, however, be considerable doubts about just how effectively the LOB can support the Government's drive to rejuvenate inner cities in the absence of any positive financial incentives, such as those which prevail in some of the regions. Alongside this, there must, despite the assurances to the contrary, be some heart-searching going on as to the best way of adapting the LOB's new role without destroying at least a part of the credibility which has been so painstakingly built up.

Beyond the walls of the LOB itself, its own guidelines will be met with mixed reaction. Since its inception, in fact, the Bureau's very existence has raised the passions of the powers which be both within and without London and its latest change of role will be no less controversial.

As for the regions, which have complained that the LOB has not been persuading enough firms to leave the orbit of the south east, the new remit will hardly encourage them to be-leave that their lot is about to become a better one, even if their doubts are ill-founded.

For the London boroughs, many of which have been pressing for a reduced effort on the part of the LOB since the congestion problem began to wane, the more should be a welcome one. There is the problem, however, of ensuring that London can provide sufficient office space to accommodate any major influx back into its centre, a point which is of particular concern to the Bureau. The spectre of heavy demand for space and rocketing rents is not one which the LOB would like to be held responsible for. Relaxation of ODP controls will make little square feet is around £11 a period when speculative Permits were anyway freely available.

As for the LOB itself, it says it is ready for the challenge. It only waits to hear whether it is to be given any more money.

LOB: about turn or expansion?

The Location of Offices Bureau is definitely not about to stand

OUT AND ABOUT

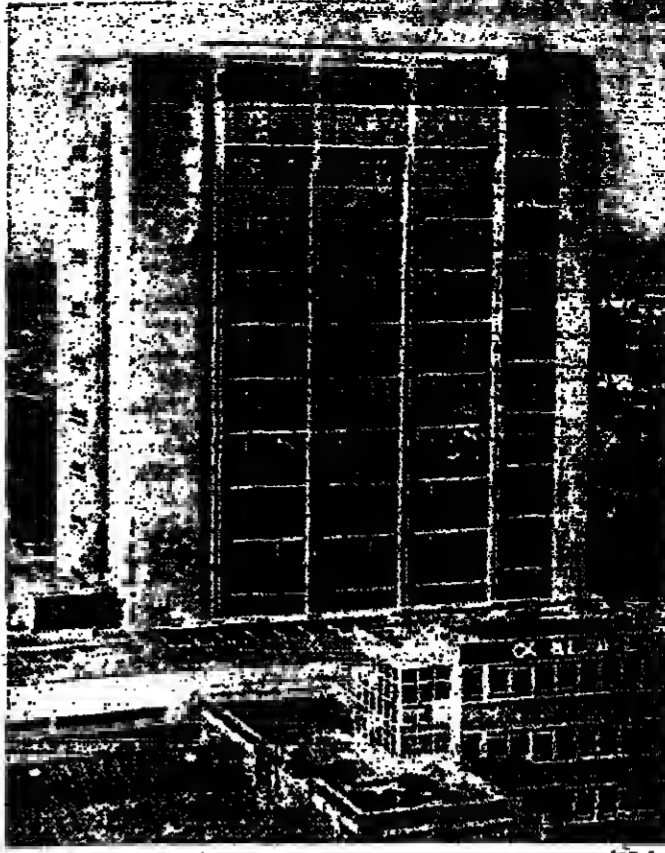
● Hunting Engineering Management, subsidiary of Hunting Associated Industries, has leased the Cape Industries factory at Cambridge Road, Bedford. Total area is just under 55,000 square feet including ancillary offices with the starting rent £50,000 a year. Walker Son and Packman acted for Cape and is now looking to sell an adjoining 44 acres with an outline consent for warehousing.

● Beazer Holdings has sold its 3,000 square metres office building in Amerikalei, Antwerp, to a Dutch pension fund. J.W. acted in the sale and the letting, say the yield was around 7 per cent.

● A good Georgian building at 2-1 Royal Exchange Square, Glasgow, totalling 9,451 square feet, has been taken by the Halifax Building Society at £30,000 a year. Healey and Baker and Edward Erdman acted for the landlords.

● Solicitors appear to be catching up with the accountants in the City take-up of new space by the professions. Lovell White & Carter took Kimberley House, Town and City's 51,227 square foot block on Holborn Viaduct (Hillier Parker acting for T and C and Jones Lang Wootton for the lessees) and now Marlow House, Lloyds Avenue has gone to Holman Fenwick and Willan, Owners Equitable Life Assurance and the Scottish Amicable Life Assurance are carrying out a modernisation costing nearly £2m. and the rent on the 27,000 square feet is around £11 a square foot.

Project managers and letting agents were Walker, Son and Packman and Sinclair Goldsmith acted for Holman Fenwick and Willan, which will only dispose of ground floor offices and the basement.



One bit of Brentford Nylons which Leathes decided not to buy was its headquarters, this tower which makes quite a landmark on the flyover entrance to London from the M4 Motorway. Brentford built the tower for itself and used the total of 147,000 sq ft in a number of different ways over the years. At one time planning consent was gained for office use on 110,000 sq ft, but apart from the ten floors of 4,000 sq ft each in the tower, the rest of the space on two 50,000 sq ft each floors, has mainly seen a mixture of warehousing, retail showroom and some industrial uses. Edward Symmons and Partners is acting for K. R. Cork and J. D. Naylor, the joint receivers of Brentford Nylons, in now trying to sell the freehold, though letting and then selling the investment might also be considered. Being on the belt coming in from Heathrow, which is favoured by many multinationals, disposal may not be too hard. Offers above £5m. are being asked, and how you rate that figure must depend largely on what uses the planners will agree.

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Brentford, Middx.	50,000 - 70,000 sq.ft.
Enfield, Middx.	38,000 - 78,000 sq.ft.
Leighton Buzzard, Bedfordshire	86,000 sq.ft. on 15-6 acres
Nr. Leeds, Yorks.	40,000 - 163,000 sq.ft.

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When the partners of St. Quintin Son & Stanley decided to open an office in Leeds, there were the usual problems. Who would find a suitable building? And who would negotiate the lease? And who would consider the rating assessment? And who would advise them whether the property was sound or would fall down around their ears in six months or was haunted or was going to be pulled down to make way for a car park or...

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EPSOM	3,730
ATTRACTIVE DEVELOPMENT	
FOLKESTONE	18,000
NEW BUILDING IN TOWN CENTRE	
ILFORD	17,900
TOWN CENTRE DEVELOPMENT	
IPSWICH	88,400
LUXURY AIR-CONDITIONED BLOCK	
NEW MALDEN	14,000
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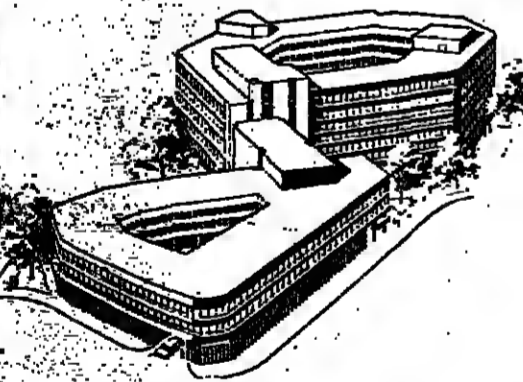
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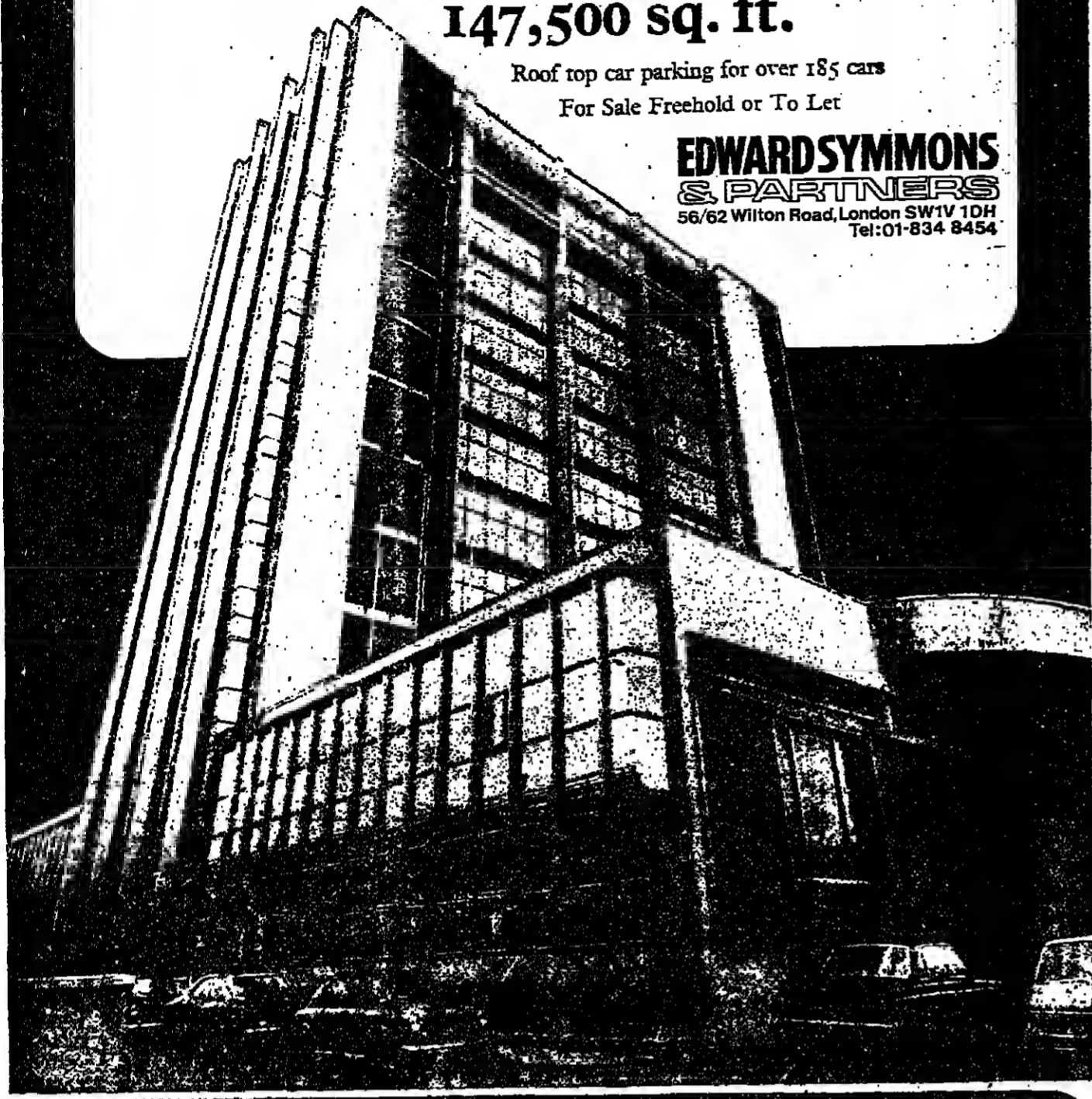
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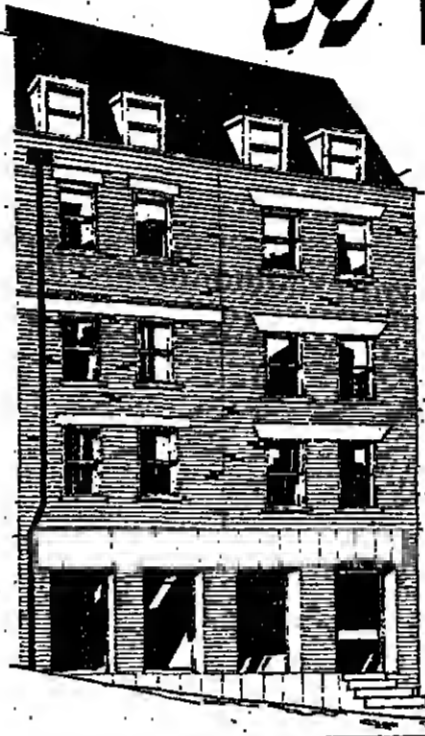
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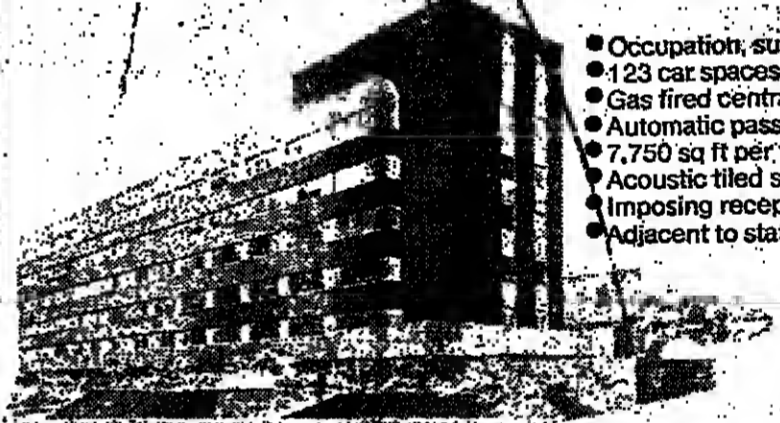
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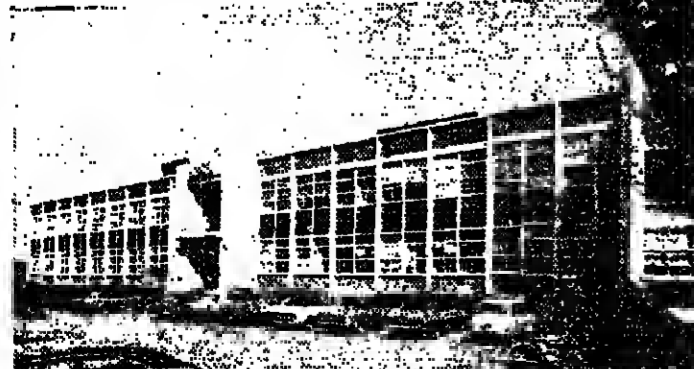
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PARLIAMENT and POLITICS

Healey hints at expansion based on pay agreement

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

MR. DENIS HEALEY, Chancellor of the Exchequer, was notably forthcoming in the Commons yesterday when he was questioned about the possibility of a satisfactory wage agreement...

Leyland advances 'short lived'

MR. ERIC VARLEY, Industry Secretary, told the Commons yesterday that the NEB had recommended that a final decision on British Leyland strategy should be deferred until it had reviewed the company's investment plans in greater detail...

was on drawing the next tranches of the IMF loan negotiated last December. He asked him to reaffirm that the IMF spending ceilings remained at the heart of Government policy...

Wilson lashes out against the Daily Mail

SIR HAROLD WILSON last night attacked the Daily Mail as a "pedlar of forgeries" through the years. As MPs crowded into the Commons to hear him, Sir Harold claimed that the newspaper had one aim—to influence general election in process or in prospect and discredit Labour leaders...

Callaghan urged to act on elections 'rebellion'

THE GOVERNMENT came under strong pressure in the Lords yesterday to reveal what its intentions are about introducing a Bill for direct elections to the EEC...

Parliament still viewing EEC as domestic dispute—report

A HANSARD SOCIETY report published today criticises Parliament for failing to adapt to EEC membership. The main fault, it says, is the tendency of many MPs and some Ministers to persist in seeing the issue as a domestic dispute about Britain's continued membership...

Neave urges Ulster offensive

MR. AIREY NEAVE, the spokesman of Northern Ireland last night called for a "tough offensive against terrorism" in the province. A new anti-guerrilla brigade would reinforce the Army's immediate drive to flush out the leaders of the Provisional IRA...

Silkkin seeks EEC help for pig industry

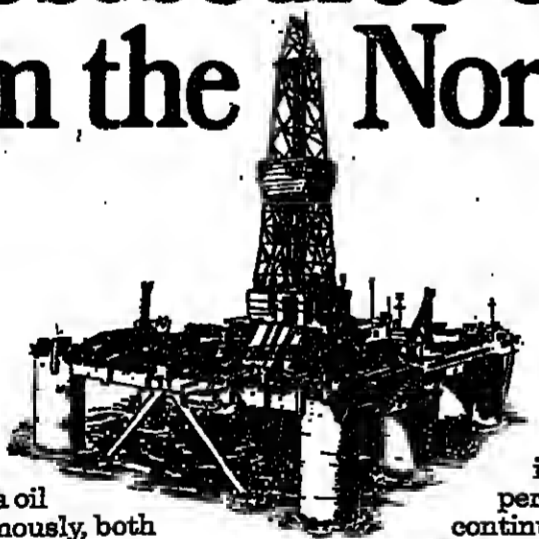
A PERMANENT solution to the problems of pigmeat production and processors should involve cancellation of EEC subsidies, Mr. John Silkkin, Agriculture Minister, told the Commons yesterday. In a Commons statement he confirmed that he had formally applied to the European Commission for "urgent action" to help the industry...

Written Answers

Mr. T. H. E. Smeat (Con., Bedford). How does the Secretary of State interpret the trend of production platform development in the North Sea, and to what extent does he anticipate that operators will adopt sub-sea completions? Dr. Dickson Mabon, Minister of State. Several orders may be placed in 1977-78 for steel jackets and steel floating structures...

force on October 1 and traders with a turnover of £5,000 p.a. or less will be able to seek de-registration. To avoid unnecessary registrations followed by de-registrations next October, I have authorised Customs and Excise not to register compulsorily for VAT any person who, on the basis of his current turnover, figures, will be eligible for de-registration on October 1.

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The Management Page

EDITED BY CHRISTOPHER LORENZ

EMPLOYEE-SHAREHOLDERS

BY NICHOLAS LESLIE

Mix business and pleasure for profit

IT TAKES something out of the ordinary to make a company's annual meeting something other than a brief, rather staid affair. Normally, very few shareholders attend, the business of the meeting goes through virtually on the nod, and everything is wound up in about five to ten minutes. Anything longer or lighter generally occurs only when a company is in trouble or there is some disagreement among the directors.

Which makes last week's annual meeting of Ash and Lacy, manufacturers of metal products, steel stockholders and hardware distributors, most unusual. Held at the Metropolitan Centre, in Birmingham, it lasted at 8.15 in the evening and could be said to have continued right through until 11 o'clock the following morning. During that time were held the annual meeting, followed by a short cocktail party, a dinner at which the chief guest was Mr. John Methven, director-general of the CBI (he also attended the annual meeting), and finally a dance.

Wives husbands and guests

Although not everybody stayed till the end, there were some 800 people gathered at one time, comprising nearly 400 shareholders, together with wives or husbands, and a few guests. Significantly, these included 85 people who are also Ash and Lacy employees, representing the 85 employee/shareholders (a tenth of the total workforce).

That such a meeting took place owes much to Mr. Fane Vernon, the company's forthright chairman, who in recent years has been pitching himself with increasing vigour into the public debate on the roles of the CBI, the unions, and most particularly, management.

In the seven years of his chairmanship, the company's pre-tax profits have shown almost consistent growth from £81,000 to £1.7m., (with one downturn in 1975) and out-of-the-ordinary annual meetings

have featured for five years. Recent ones have involved shareholders meeting at the company's headquarters with employees showing them around works, and last year there was a lunch for all employees and shareholders. This time, with so many employees owning shares, it was decided on a different format, although all employees of the 17 separate group companies will be celebrating with their own separate functions.

Last week's gathering had a largely festive air—although there were more serious moments when the chairman expounded his views on the role he felt management should be playing in the recovery of the economy, and when his fellow director, Mr. D. S. Fletcher, who is in charge of industrial relations, outlined the group's management code.

Shareholders were reluctant, or felt no reason, to put questions on the main business of the meeting—not one was asked—but joined in enthusiastically later during an organised question session when their views were sought on a number of topics: whether the company should buy British cars only; whether contributions should be made to the Conservative Party; whether expansion should be aimed at in the Middle East and Europe; whether expansion should be concentrated in the Midlands rather than the country as a whole; and whether plant should be bought from Iron Curtain countries. They were also asked how staff promotion should be tackled.

This session was organised so that discussion took place in groups, each one being led by an employee/shareholder. The idea was not only to assess shareholders' views, but also to involve them with the company, and the employees with the shareholders.

Cleaners and welders

At the subsequent cocktail party there was a general mingling of employees with other shareholders. Employee/shareholders are drawn from all sections of the company; many



Mr. Fane Vernon, Ash and Lacy chairman: "Worker participation has been picked up only by soft management."

are in management positions, but there is also a sizeable percentage from the shop floor—incl. foremen, guillotine operators, press operators, welders and cleaners.

The views of a few of them showed that their shareholding helped them identify more closely with the fortunes of the company as well as giving them the opportunity to put their views on its activities.

At the same time, no employee shareholders reacted favourably to the occasion, enjoying an opportunity to meet both directors and employees and to get a closer appreciation of how the company operated.

Certainly Fane Vernon makes it clear how he feels it should work. The route to prosperity is by way of a "single team concept" and

good management, he says. The former—which has been adopted as the group's slogan—he sees as "shareholders and employees being committed to the success of the company and of each other." Good management, he insists, requires strong leadership from the top; always manage downwards through management channels and communicate through them—that means always through the foreman on the shop floor and never through the shop stewards; and have strong disciplinary procedures, but show care for the welfare of employees as a whole.

Philosophy in practice

How this philosophy operates in practice is the subject of a film which the company is now having made—included will be sequences from last week's events, together with all other aspects of what the company is about.

In the development of the "single team concept" Fane Vernon says that communications are an essential ingredient. Regular meetings have been instituted, so that the chairman and his fellow directors see all employees at least once a year—in groups of ten to 20—to tell them what is happening and what the company's plans are, and to let them put forward their own views and ask questions. Additional meetings take place more frequently between other levels of management and employees.

Clearly not an advocate of the Bullock proposals on industrial democracy, he maintains that "worker participation has been picked up only by soft management." Management he says, should lead and "although there is a lot of inertia to overcome it is amazing what you can do if you get one or two kindred spirits."

The hardening of his views, says Fane Vernon, springs from his not liking to be associated with national failure. Until two or three years ago little interest was taken by the company in things like the CBI and the outside world, but it then came to the conclusion that if British industry failed it would affect the

future of everyone associated with the company. "So we decided to become more involved and get into the outside world and preach our gospel."

He did not miss the opportunity to do this at last week's meeting. It was time for leaders in industry to look more closely at the causes of the country's failure in recent years, to define the remedies and battle to achieve them—and in so doing to show "a lot more guts and gumption." It was, he said, time for British management to set about the reform of the trade union movement. One way could be by pushing for legislation similar to that in Germany. But "much the best way, would not be by legislation but by leadership."

Mr. Vernon also maintained that, in establishing a new style of leadership for big company management, the importance and role of trade union leaders and the TUC should be downgraded. Even more contentious was his assertion that management should break off contacts with national union leaders and strengthen contacts directly with employees—a point which drew no positive response from the evening's chief guest, Mr. John Methven, in his after-dinner speech.

Risk attached to equities

What format shareholders can expect for next year's meeting has yet to be decided. But it seems certain that the proportion of employee/shareholders present. At present, the average shareholding is about 100 shares per employee and they are actively encouraged to take an equity holding—plans also are well ahead for the introduction of an employee PAYE-related share scheme. But Mr. Vernon recognises that risk is always attached to equity capital, and so he does not feel any employee should hold more than, say, £100 worth of shares or should invest more than a quarter of his or her savings. Meanwhile, he says he would see it as an achievement if sufficient employees bought shares to give them a total holding of around 30 per cent.



The 800 shareholders and their guests at the Ash and Lacy annual meeting were separated into groups at tables, with an employee/shareholder heading each group, in an organised question session when directors sought shareholders' views on a number of policy issues.

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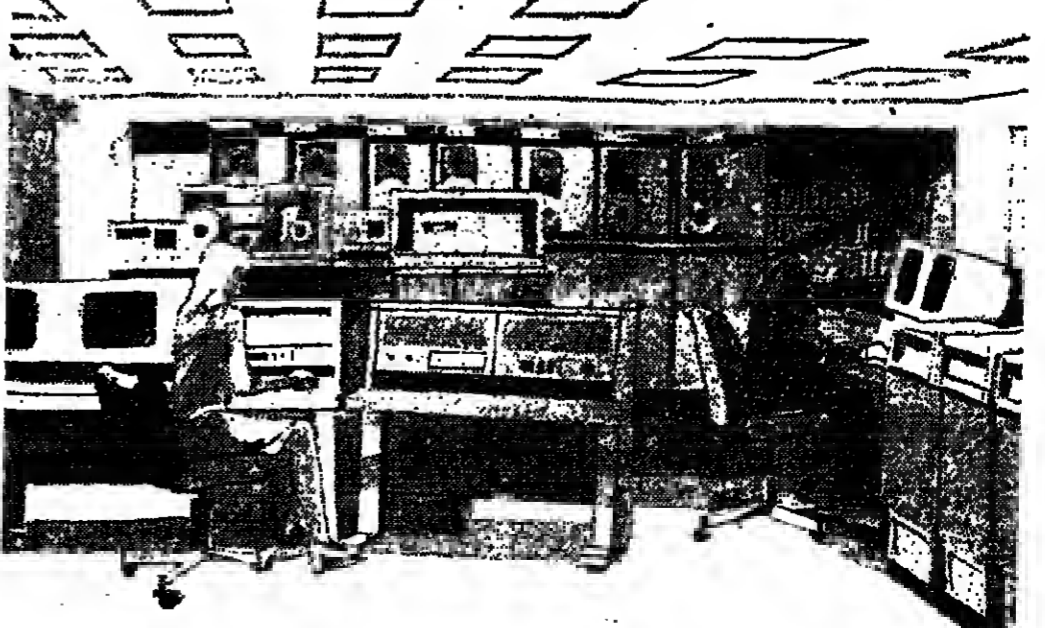
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Incorporating THE FINANCIAL NEWS
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Giles Merritt in Dublin examines attitudes of political parties there to troubles north of the border.

Irish votes and their effect on Ulster

THE SCENE is the grimy upstairs room four flights up over a discount carpet store in Dublin's Kevin Street

The Provos are smarting under the present government's tough clamp-down on Republican militancy, and while ostensibly ignoring the election they nevertheless have a vested interest in its outcome.

If the Provos are keen to see the back of Mr. Cosgrave's government, they are still sceptical of the advantages to them of a return to power of the Fianna Fail party that ruled for 16 unbroken years until March, 1973.

In Whitehall, there is a tendency to see the problem in black and white. During its four years, this Irish Government has hit back hard at the Provisionals, using emergency legislation more draconian than anything available in Ulster.

The Cosgrave Government is therefore a staunch and reliable ally. Even more to the point than its security record, its political views on Northern Ireland's future are generally mirror those of the Heath, Wilson and Callaghan Governments.

While the exporters of Japan and Germany will certainly resist energetically the proposal that any success they achieve should attract automatic exchange-rate penalties, the U.S. case certainly requires an answer.

These remarks promise to reopen a confusing, probably acrimonious, but centrally important debate. At first sight, the U.S. position appears both risky and hypocritical.

Mr. Blumenthal suggested a number of different approaches to the central problem, of which this was one. He conceded the need for effective energy policies, aimed in the long run to reduce the scale of the imbalance as a whole.

It is, then, in the area of expanded official aid and IMF financing that the main alternative hope must lie; and it is in these areas that countries which reject the haale U.S. demand must make their counter-proposals.

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anything up to 20 years, but the present British and Irish Governments both agree that even a long-term undertaking might make the British presence untenable and precipitate a hurried pull-out.

It is probably the tenor of Fianna Fail's statements on Ulster that worry the British authorities as much as their content. Mr. Lynch sometimes implies that Northern Ireland is not Westminster's sovereign problem.

Mr. Lynch's problem is that his view that the murderous Ulster deadlock should be re-

There have been persistent hints in Dublin's political circles that Fianna Fail's leadership is well aware that it had since been "rehabilitated" back into the Fianna Fail ranks, but there remains the doubt that the party's right-wing is not reliable or constructive when it comes to the Northern Ireland question.

The prospect of Northern Ireland's future dominating the hustings debate here may seem strange to outsiders. Indeed, many Irishmen believe it to be an irrelevance when Ireland, with unemployment what is unofficially reckoned to be around 18 per cent, faces an economic future so bleak that 25 per cent of the active population could be without a job in ten years.

It would, of course, be grossly improper for officials or members of the British Government to comment on the outcome of Ireland's general election. Nevertheless, the strong impression given is that the re-

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election of Mr. Cosgrave's coalition would helpfully maintain the status quo. A Fianna Fail victory, from a British point of view, would at best involve a reappraisal by the new Irish Government of its Northern Ireland policies.

Underlying British reservations about Fianna Fail, there is still the relatively fresh memory of the 1970 gun-running crisis. Two Cabinet Ministers in the Lynch Government, Mr. Charles Haughey, the Finance Minister, and Mr. Neil Blaney, the Agriculture and Fisheries Minister, were dismissed from their posts on

stunt attention and careful handling. Mr. Cosgrave undoubtedly owes much of his support to the latter school of thought, which appreciates his cordons sanitaire approach to Ulster.

It would be surprising if Ireland's election run-up does not stir Ulster's own political situation. If Fianna Fail is tempted into making a bid for the nationalist vote, Ulster's Unionists will be among the first to react.

The thorny subject of Irish federalism is also likely to come up during the campaigns. Mr. Lynch has pronounced himself in favour of a loose—perhaps deliberately ill-defined—32-county federal Ireland.

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Cash limits essential

IT HAD been arranged that Mr. Varley would make a statement in the Commons about the future of British Leyland after the company's annual meeting. The background to his statement, however, turned out to be not only the toolmakers' strike and its serious effect on Leyland's financial position but the more recent allegations of bribery to obtain orders.

As for the new Mini programme, the most urgent of the decisions facing those involved, the NEB is authorised to allow work on it to be resumed "as soon as they are satisfied sufficient tangible progress is being made towards measures that will put industrial relations on a new basis."

From a political point of view, this decision was almost inevitable. It is not clear how far a commitment to the Mini will affect development work on other parts of the range, where the need for new models seems even more urgent.

The U.S. gets back on a collision course

THE SPEECH by the U.S. Treasury Secretary, Mr. Michael Blumenthal, to the international banking conference in Tokyo this week was an important one, and a somewhat forbidding one. It had widely been supposed that since President Carter rescinded his proposed 50bn. tax cut, we had heard the last of U.S. pressure on other strong economies to stimulate demand for the sake of world growth and balance of payments financing.

These remarks promise to reopen a confusing, probably acrimonious, but centrally important debate. At first sight, the U.S. position appears both risky and hypocritical. The Administration is asking those countries which have so far weathered the crisis in reasonably sound shape to inflate domestic demand—possibly by balancing this by allowing their currencies to appreciate, and thus reducing the demand for their exports—to make room for less successful economies to reduce their deficits.

However, that is by no means the end of the story. Mr. Blumenthal disarmed the charge of hypocrisy by admitting U.S. failings in energy policy. Far more important, he put his arguments not in the context of neo-Keynesian notions of deficient demand—the point which Mr. Healey has been urging with so much persistence and so little success since 1974—but in the context of international credit. The basic rule he proposed for

MEN AND MATTERS

Catering for the TGWU

Despite every appearance to the contrary, there is some love between Trust Houses Forte and the Transport and General Workers Union. The TGWU, long resentful of the relatively low level of union representation among THF employees, has been involved for over three months in a bitter struggle with the company in the Midlands.

This hit particularly THF's Night Out restaurant in Birmingham, still the subject of a round-the-clock picket, and hotels in Oxford and Sheffield. Repercussions of those troubles were felt for a while by other THF hotels, restaurants and motorway service areas, to the fury of THF, which has mounted determined public opposition to the TGWU's activities.

There, the TGWU now has a plush centre for members' holidays, convalescences and conferences. And who provides the food? An industrial catering company called Gardner Merchant Food Services—a subsidiary of Trust Houses Forte.

The Gardner Merchant involvement is certainly ironic, but the TGWU said its relations with that company had always been good. And in contrast to other parts of the catering industry, there is a high proportion of unionisation among industrial catering staff.

Parayre's rise

Jean-Paul Parayre, about to become president of France's private sector motor giant Peugeot Citroën, is the perfect example of the French whiz kid. Beginning in the Cabinet of the Social Affairs Minister in 1967, he moved via the Economy and Finance Ministry to the Industrial Development Cabinet before spending four years heading the division dealing with mechanical, electrical and electronic industries.

Parayre is inheriting a profitable enterprise but one which has in terms of market share lost ground recently to the aggressive policies of Renault which has moved up into the luxury car bracket (Peugeot has entered the mini stakes). He is also moving into a political hot seat since the Communists are demanding that Peugeot Citroën should join the list of nationalisation candidates if the Left wins the 1978 election.

Down on the Riviera where the strike bound Cannes film festival comes to its end this week, unkind souls have found a new way of tormenting those who have played one-upmanship by parking their yachts near the Croisette. Late night revellers scatter breadcrumbs on the roofs of the vessel so moored. With the dawn light sharp beaked Provencal gulls come peck, pecking at their free breakfast. At 5 a.m. after a heavy night I understand the tapping on the ceiling is quite upsetting.

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Tough Creasey

Ulster watchers are bound to wonder whether the new Army chief in Northern Ireland will be responsible for, or more exactly be allowed to adopt, harder anti-terrorist measures. Major General Tim Creasey, expected to take over in the autumn as General Officer Commanding Northern Ireland (all the GOCs so far have been made up of Lieutenant Generals and knights) has a reputation for gritty toughness, particularly as the Commander of the Sultan of Oman's armed forces.

Creasey, now 53, led that British-directed outfit from 1972 until 1975, when operations against Communist rebels were declared a success; it seems a

One of the four men who earned themselves the nickname of the Musketeers of French industrial policy as laid down by President Pompidou, Parayre became one of the state's representatives on the Board of the nationalised Renault motor company.

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Observer



Although the Ulster problem has spilled south of the border and our ambassador later assassinated, it is generally felt that the Fine Gael Government, under Mr. Liam Cosgrave (right), dealt with terrorism more firmly than its Fianna Fail predecessor (party leader Mr. Jack Lynch).



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POLITICS TO-DAY

BY DAVID WATT

Common Market returns to centre stage

S ironic that Britain's first agency of the EEC Council finsters should be coming to an end in a flurry of real panic, about our whole relationship with Europe. Much expected of this opportunity for the British to demonstrate some leadership in Europe and indeed superficially Presidency has run pretty smoothly.

The British Civil Service shown its usual administrative efficiency. Mr. Crosland, Dr. Owen after him, have succeeded their predecessors more than usual briskness in one or two matters—ably the North-South economic dialogue and discussion with the countries of the common bloc—some modest grass has been made.

et red lights are suddenly being all over the board. In domestic politics the European has now returned to the government and the stability of Labour Party. Externally, the British attitudes towards the European are heard among hard vested interest groups in Brussels and the home capitals of the Nine. All British public opinion seems to be more hostile to the EEC than for a long time.

R is hard to sort out which these developments is really. And the task is made particularly difficult by the distortions caused by the hopes of some of the participants. The old anti-Marketters, particularly on the Labour side, are grabbing their hands with exaggerate the troubles in the pro-Marketters, among

the Conservatives, are distressed by the damage which their friends on the Continent tell them is being done to Britain's prestige by the Government's handling of its relations with the Community, but are half-delighted to have a good stick to beat the Prime Minister and the Foreign Secretary with. In Brussels the proponents of a long-term federalist approach to European institutions attack the British Government's delays over direct elections to the European Parliament. On the other hand nationalist politicians in some of the Nine are perfectly content that the British should take the odium of slowing down a process which they themselves regard with the deepest suspicion.

Dispassionate

None of these parties is bringing what might be called a dispassionate analysis to the present situation in Britain. I cannot, as a long-standing pro-Marketter, claim to be entirely dispassionate myself. However, let me try as best I can to answer the three most urgent questions in a more or less factual way.

1. anti-European British public opinion? Surprisingly enough there have been no very recent data from the opinion research organisations on this point. The last two polls were taken in November 1976 and January this year. The first of these, part of the European Commission's elaborate Euro-barometer exercise, showed that in the U.K. 45 per cent would have voted "yes" in a repeat referendum on membership of the EEC, as against 44 per cent "no" and 11 per cent "don't know". Two months later a

Gallup poll showed that 35 per cent of respondents thought Britain's membership of the EEC was a good thing, and 41 per cent thought it was bad.

The other evidence is much more impressionistic and is drawn mainly from the experiences of politicians at the recent by-elections. The questions are whether the National Front did as well as it did at Stechford because of its anti-Market stance, and whether Labour managed to hold Grimsby against all the odds because its candidate fought a strongly anti-Market campaign. Anti-Marketters on the Labour Left have been propagating a resounding "yes" in answer to both questions, and after cross-examining a number of people who spent some time in the constituencies I am inclined to concede that anti-Market sentiment probably did play some part. The trouble is that one cannot tell how much. In Stechford the immigrant question was probably even more salient for N.F. voters than Europe, and in Grimsby the fact that Mr. Austin Mitchell was a local television star may have been the decisive factor.

Putting all this together one can venture the commonsense conclusion that the EEC is getting a lot of the blame for the rise in prices and that at present the overall advantages of EEC membership which the majority recognised in the referendum are often forgotten in the frustrations of the present. It is an important political fact that many Ministers are alarmed if not unnerved by this shift in opinion, but it is worth pointing out (however fruitlessly) that they have no actual evidence before them (a) that the public would now vote, if given a chance, to leave the

likely to be affected by their strong indeed. And yet it is not by any means certain that they will do so. The Prime Minister has stated very often that he gave his word to the Liberals that he would introduce a direct election bill this session and would take account of Liberal wishes about the use of proportional representation for the European polls. Having failed to resign

the Party. In view of left-wing pressure in the Cabinet, Mr. Callaghan is going to have to trim on direct elections, but I can see a basis of compromise between the Left and the Liberals—a bill which was published in the next couple of months, which was submitted to the House of Commons in November, which came into effect simultaneously with the next general election, which provided alternative clauses for the method of election (either first-past-the-post or proportional representation) and which left the choice between the two alternatives to a free vote in the House of Commons, this freedom extending to individual Cabinet Ministers. This compromise would not avoid a row, probably damaging to the Government's general position, at Brighton, but by that time the Cabinet, including the Left, would be committed.

2. How lukewarm towards Europe has the present Government become? The theory of the Government's position—by which in practice one means Mr. Callaghan's and Dr. Owen's after they have taken account of the various pressures, already described—is clear enough. They are committed to the EEC in what one might call a modified Gaullist fashion. That is to say they are more inclined than De Gaulle to believe in the potentialities of concerted action between European governments. They are therefore rather more inclined in compromise than the French used to be and are more favourable to the idea of institutionalising political co-operation.

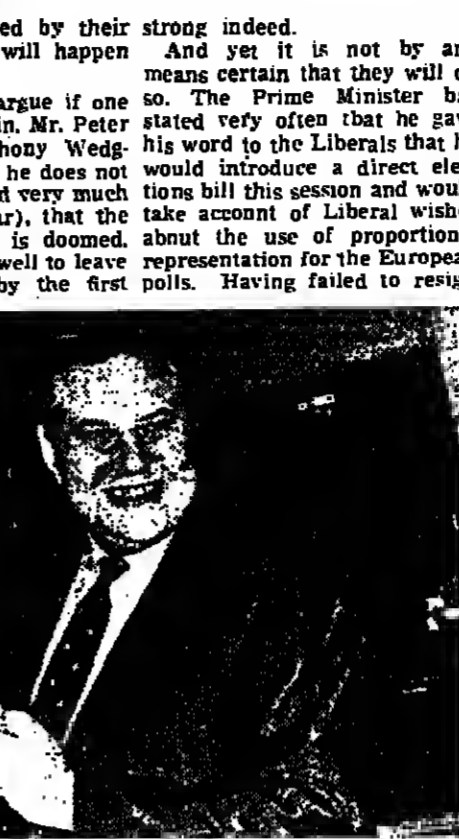
On the other hand they are almost as apposed in federalism and supranationalism as De Gaulle and are therefore as hostile to the pretensions of the European Commission. They

also take a leaf out of the French book in sucking more ruthlessly than the British have often done in the past to a strict, short-term conception of the national interest in certain sensitive areas. It is wrong, in my judgment, to suppose that they are trying to revive the "special relationship" with the U.S. at Europe's expense. But having discovered, rather to their surprise, that President Carter is a strong Anglophile, they may be more tempted than say Mr. Heath to wash in the fact from time to time on a unilateral basis.

This seems to me, for the time being, a tenable, though disappointingly negative and defensive position. It will not break up the EEC, though it will cause irritation among our partners, and it will not give many hostages to the Left, though it is unlikely to round the British voter of the advantages of membership.

But it is hard to see what it will do for the long haul. Variations of the Common Agricultural Policy or cut-throat for particular sectors of British industry are really pretty marginal in terms of either the retail price index or the survival of a competitive British economy. Moreover, if the Community is to be enlarged, as the Government insist, the enlargement is going to make British problems and pressures seem even less compelling.

What is required—but is extremely difficult to promote in the present political climate—here—is a real effort to develop the potential growth areas of the Community that are of real interest in Britain (regional policy, industrial policy, energy policy) and to display the kind of spirit that will actually foster them.



Agriculture Minister Mr. John Silkin: temptation to strike out for the shore.

when this pact was made, the issue of direct elections to the European Parliament provides a good opportunity as is likely to occur because it is one on which the majority of the Party, both inside and outside Parliament, is probably enough to regard the survival of the Government as being less important than the stopping of a mass meeting of British Airways' maintenance engineers on proposed settlement of their shift pay claim.

Prime Minister opens new motorway section between Sandy Gate and Pearce's Hill, Devon.

available port-hole, and that the Left would find it hard, in logic, to resign now. Moreover, it is doubtful whether the majority of the Party, including the trade unions, are yet desperate enough to regard the survival of the Government as being less important than the stopping of a mass meeting of British Airways' maintenance engineers on proposed settlement of their shift pay claim.

Prime Minister opens new motorway section between Sandy Gate and Pearce's Hill, Devon.

Tax ceilings on income

From the Director-General, Institute of Directors.

Sir,—It is gratifying to see that your report is reaching the Chancellor's desk. It is gratifying to see that your report is reaching the Chancellor's desk. It is gratifying to see that your report is reaching the Chancellor's desk.

Letters to the Editor

this assertion, certainly not in the recent Brown Book on U.K. oil and gas reserves, or in other recent assessments of U.K. and world energy reserves.

I indeed, I claim that British Gas is doing great damage to our coal, electricity, nuclear and heavy electrical engineering industries, and have thus been consistently claiming that gas should be subjected to a depletion tax, rising steeply as reserves are exploited.

J. H. Goodland, Down House, Fulgosh, Tunton.

Teaching companies

From Professor Kenneth Hilton.

Sir,—Your report on the expansion in the number of "teaching companies" describes the aim of the projects as enabling students to learn more about industry. Most industrialists and academics would see this objective as a desirable one, and many, therefore, applaud the teaching company idea. Few question the cost, however still ask if the objective could be achieved more effectively in a time of financial stringency.

New rates assessment

From Mr. J. R. Cadwallader.

Sir,—So the Government are now proposing to amend the method of assessing rateable values to yet another contentious and illogical system. Who will fix the capital value of a dwelling, particularly one which has not been on the market for some years?

Mortgages and house prices

From Mr. Duncan Corstorphine.

Sir,—Mr. Norman Griggs has a nice sense of humour. He dismisses (May 18) the recent widening of building society margins as "purely marginal". Changes in margins usually affect the rate of interest, not the margins between borrowing and lending rates have become embarrassingly fat. Savers will be glad of Mr. Griggs' implied promise that they will be reduced if and when the basic rate of income tax is cut.

The role of Swiss banks

From Mr. Jeremy Baker.

Sir,—It was disappointing that your article on Credit Suisse (May 23) had nothing to say on the wider impact of Swiss banking on the rest of the world. It is a plausible argument that unethical use of the "numbered Swiss bank account" has caused more political and social disruption in the post-war non-Communist world than any other single cause—even including the CIA and various Russian activities. One only has to think of organised crime in the U.S., the draining of underdeveloped countries' resources by dictators, and the continual bleeding of the Italian economy; none of this could happen without a stable but secretive banking system, in which to place illegal money.

Unemployed young people

From the Hon. Director, Community Service Volunteers.

Sir,—Concentration on the 16-18-year-old unemployed is likely to have severe undesirable consequences. This is particularly true of the community service sector—the one field where the opportunities are limitless and the needs real rather than contrived.

The importance of natural gas

From Mr. J. H. Goodland.

Sir,—The Public Relations Director of British Gas has been taken into defending (May 24) to his series of half-page advertisements in the "heavies," which are clearly aimed at lulling markets for natural gas from the new Frigg field. I find that each advertisement contains the same content statements, in particular that: (1) Frigg gas can help our balance of payments by saving Treasury figures nearly a billion which clearly apply to the whole. On the contrary Frigg, 60 per cent Norwegian, and at least four times as expensive as present supplies from the Southern North Sea, will reduce our present 88 per cent self-sufficiency by 15 per cent. Natural gas can only help our balance of payments to the extent it is indigenous and displaces limited energy. (2) Natural gas will continue to serve our children for decades to come. There is no basis of proof for

Time help he fight

the importance of natural gas. He is the very man who has been systematically punished for any success he has been able to achieve in three years of harsh taxation. Those who have seen their real incomes decline in the past two years alone by more than 25 per cent, recognise that they have been robbed. Only this week in the results of a research by the London stock brokers, Phillips and Drew, there is further evidence of this decline. The man on £10,000 a year now needs a third as much again in the form of a pay rise to put him where he was in 1975. The man on £20,000 needs four times that amount.

If the Government does accept that the businessman matters, let it signify this by raising his morale, and restoring to him a fair share of his own hard-won earnings. Stage one of that process: a cut to 50 per cent in the top marginal rate of taxation. Surely, one day for the State and one for himself is as much as can be asked of any free man.

an 18-year-old, Belgrave Square, S.W.1.

Acquisitions Building Surveys Development Appraisals Funding Investment Industrial Legal Marketing Project Management Property Management Portfolio Management Public Inquiries Research Reports Sales Taxation Advice Urban Renewals Valuations

From Mr. Norman Griggs.

Sir,—The Government are now proposing to amend the method of assessing rateable values to yet another contentious and illogical system. Who will fix the capital value of a dwelling, particularly one which has not been on the market for some years?

Donaldsons

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COMPANY NEWS + COMMENT

Lonrho 17% improvement in first half

A TURNOVER increase of 21 per cent to £573.2m. is announced by Lonrho for the six months ended March 31, 1977, and pre-tax profit was 17.5 per cent up at £30m.

INDEX TO COMPANY HIGHLIGHTS

Table listing company highlights including Lonrho, Gomme Holdings, Bertrams, etc. with columns for Company, Page, and Col.

Comment

Lonrho is now so diverse that it is hardly worthwhile to describe the different trading experiences none of the areas of operation now has a dominant place and an upturn in one area is compensated for by a downturn elsewhere.

Gomme sees second half downturn

The figures for the six months ended January 30, 1976, have been adjusted to reflect the inclusion of production overheads in the company's stock valuation, it is stated.

Table showing Gomme Holdings' performance for six months ended Jan 30, 1976 and 1975-76.

Comment

Although its profits are virtually unchanged Gomme Holdings' interim performance compares favourably with that of the rest of the furniture industry.

riding the current squeeze on consumer spending fairly well and with a sizeable expansion programme now under way, aimed particularly at the export markets, it is clearly coincident of a return to better trading in a year or so.

Portsmouth Sunderland profit near £1.4m.

NEWSPAPER proprietors and publishers, Portsmouth and Sunderland Newspapers, have reported a profit of £1.4m. for the year to April 2, 1977.

At the interim stage the directors said that results for the second half were unlikely to exceed those for the first.

Bertrams reduces deficit

On turnover, unchanged at £1.32m., paper and board machinery manufacturers, Bertrams reduced its deficit for the 26 weeks ended April 3, 1977 from £114,000 to £90,500.

DIVIDENDS ANNOUNCED

Table listing dividend announcements for various companies including Ash Spinning, Assoc. Engineering, Bass Charrington, etc.

ISSUE NEWS

Expanded Metal £3.2m. cash call

Expanded Metal is proposing to raise £3.2m. by a one-for-three rights issue at 65p per share. The Board also intends to raise the dividend for the current year from 3.01p to 3.62p for 7.4 per cent.

Quick rights

Motor distributor... Quick is going to raise £1m. by a rights issue at 100p per share at 21p each on the basis of five-for-one.

Variable Rate Stock

The prospectus is published for the issue of £400m. of Variable Rate Treasury Stock 1981. The stock will be redeemed on November 17, 1981.

GILL & DUFFUS

Gill & Duffus' rights issue of £7.81m. is issued at 100p each on the basis of seven-for-one.

FARMERS LOAN

The Agricultural Mortgage Corporation is issuing £1m. of 8 1/4 per cent Bonds due May 23, 1981.

STOCKPORT FAILS

The Metropolitan Borough of Stockport's offer of £10m. of 12 1/2 per cent redeemable stock is closed yesterday with 33 per cent of the issue left with the writer.

Wm. Press reaches £7.39m.

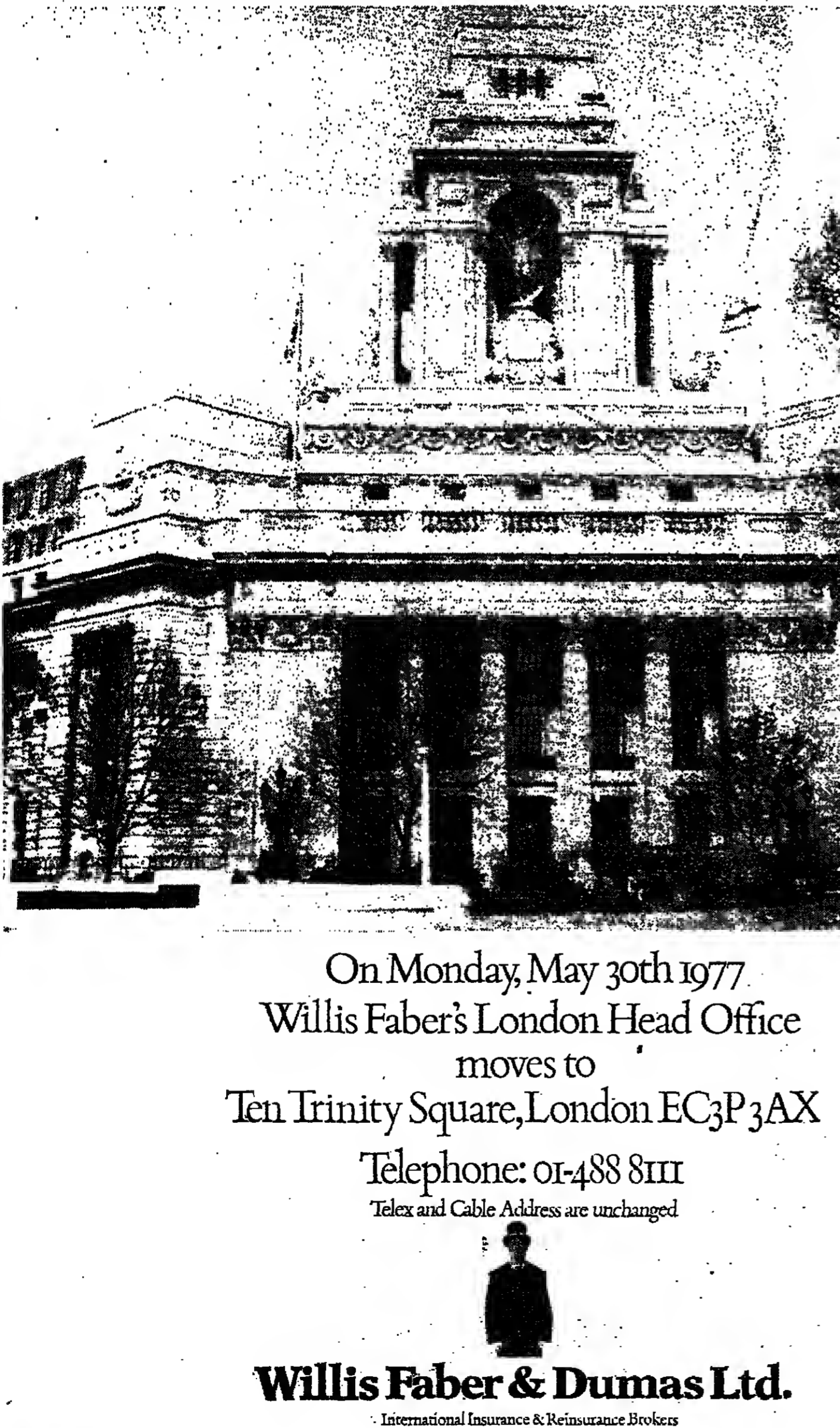
Profit before tax is arrived after charging additional payments to pension funds of £200m. and exceptional depreciation on purpose-built plant of £800,000.

DELTA METAL

The building products division of Delta Metal announces that agreement, in principle, has been reached with Worcester Engineering Company for the sale of the Daresmoor and Delgo boiler ranges and their Clay Cross Works.

HAWTHORN

Because of an error in mission, the name of the Shefco company acquired by Hawthorn is D. D. Hollings and Son, and not Hollingsworth.



On Monday, May 30th 1977. Willis Faber's London Head Office moves to Ten Trinity Square, London EC3P3AX. Telephone: 01-488 8111. Telex and Cable Address are unchanged.

Willis Faber & Dumas Ltd. International Insurance & Reinsurance Brokers and Lloyds.

The Trust Union, Limited. Total Assets at 31st March, 1977 £30 million.

Investment distribution charts showing assets by sector (Consumer Goods, Durables, etc.), price per share, and gross dividends per share for various regions like UK, North America, and Australia.

A member of the Touche, Remnant Management Group. Total funds under management exceed £600 million. Copies of the Report and Accounts can be obtained from the Secretary of The Trust Union, Winchester House, 77 London Wall, London EC2M 1RF.

BASS 10 £3

[Handwritten scribble]

Phoenix up in first quarter

AN INCREASE in pre-tax profits of 48.8 per cent to £5.9m for the first quarter to March 31, 1977, is reported by Phoenix Assurance. Last year's total was £3.99m.

Tax takes £2.7m, against £1.5m and minority interests £400,000, compared with £2m, against £2.2m. Earnings per 25p share are shown as 6.4p against 4.6p—an increase of 40 per cent.

Net premiums written in fire, accident, marine and aviation rose by 19.6 per cent, from £73.1m to £87.4m, and investment income showed a 33.8 per cent gain at £5.7m, compared with £4.3m.

The underwriting loss in fire, accident, marine and aviation has been cut back slightly from £2m to £1.8m.

The directors say that the improvement in the U.S. and Canadian results has been maintained but the loss has been offset by losses in the U.K. and Europe.

In the U.K. the property classes remained profitable but the notification of further subsidies losses, they add. There was a sharp increase in motor claims due to adverse weather conditions and a cautious view is being taken of the continuing effect of inflation on reserves for the liability classes.

The general overseas territories show some improvement over the corresponding period of 1976, it is stated.

The directors emphasise that interim figures cannot be taken as a reliable guide to results for the full year.

comment

The first quarter figures from Phoenix were slightly below expectations and the shares fell 4p yesterday to 232p. The trouble was in the underwriting losses in the U.K. and Europe, about 30 per cent of the U.K. business is now in motor accounts and much of this is in the North where the harsh winter led to significantly higher claims incidence.

Some compensation came in the U.S. where there was a marked recovery in comparison with the result last year which had been depressed by extra claim reserves. Meanwhile investment income surpassed best expectations rising by 33 per cent, or 26 per cent if the increased value of foreign currency income is stripped out. A boost to income came from 10 per cent in long and medium bills in the last quarter of 1976 and again in the first quarter this year. The rest of 1977 should bring a good recovery in motor claims and it is expected to continue strongly. The reserves, yielding a prospective 6 1/2 per cent, look reasonable value.

BENJAMIN PRIEST

Benjamin Priest has now completed the acquisition of Black-

comment

Phoenix's 16 1/2 per cent pre-tax profit gain completes a two-year recovery by bringing profits up to the peak 1974 level. The bulk of profits comes from the news services side, with a maiden profit from Estel-PA. Show contributing a third of the profits rise of £293,000 to £956,000. The rest was spread across the Board and reflected price increases rather than volume gains, although some market share was taken from Moodies. The divisional profits have been worked out on a new basis to take account of rentals: profits on the printing side dropped by £186,000 but this was solely due to development expenditure of £200,000 on the computerised typesetting operation. "Other income" rose by half to £301,000 as a result of higher interest rates. Overall, the group should now start its new growth phase — this is hardly reflected in the shares at 232p where the yield is 6.2 per cent, and pre 7.3.

Group turnover	17,558	12,569
Profit before tax	5,925	4,051
Tax	860	789
Net profit	5,065	3,262
Interim dividend	568	754
Proposed final	287	281
Unappropriated	478	233

REPORTS TO MEETINGS

Bentalls looking for satisfactory result.

Although it would be unwise to over-optimistic about the outcome of the first six months, Mr. Rowan Bentall, chairman of Bentalls, the department stores group, said he was confident the full-year results would be satisfactory.

He was reporting to shareholders at the annual meeting yesterday. During February and well into March, sales were very satisfactory, he stated. In most weeks the group was ahead of its estimated sales figures and the profit forecast was "most encouraging." However, by the middle of April the sales momentum had waned and recently the group increase in last year had been around nine per cent.

Sharp and Fisher—Mr. K. J. Fisher said sales for the first four months of 1977 were up in money terms, but because of inflation, down in volume terms. The group was now over its price-maintenance problems.

Search for sites, construction and was not diminished by the present state of trade.

Beal's—Chemicals—Sales and profits for the first four months of 1977 were well ahead of the same last year, reported Mr. John Jones. Synthetic Hydrological Corporation was fitting into the group and the outlook for most of the operating units was encouraging.

If the rate of ACT was reduced there would be an additional net dividend of 0.45p per share for 1976 would be paid together with the 1977 and all had interim dividend later in the year.

Freemaos (Leyburn SW9)—Mr. A. Rampton was confident of growth in both sales and profits this year. First 16 weeks trading seemed to be bearing out expectations, in that sales were about 25 per cent above last year. So far profits appeared to be increasing more or less in line with the rise in turnover.

Houkingson Buildings—Mr. I. G. Hopkinson reported that after three months trading he could confirm the view expressed about prospects in his statement. The first few months were proving to be even more difficult than anticipated, but he was still confident that results for the full year would improve on those for previous years.

The Board intended to pay a third interim dividend appropriate to the reduction in the rate of tax should this be possible.

Bridon—Mr. Harry Smith said there was optimism in many parts of the group that the level of trade would soon commence a slow recovery, though this was not yet evident from the level of orders received.

This recovery would likely begin in the last quarter of 1977, and on this assumption he confirmed the forecast made in the well and the forecast made in the well and the forecast made in the well.

The company was currently establishing manufacturing activities in Venezuela, Iran and India. Those projects were on target and expected to contribute to profits in 1978, and all had significant growth prospects.

Best ever year for Quicks!

An all time record turnover coupled with a highest ever trading profit was recorded by the H. & J. Quick Group Ltd. in 1976. In his Annual Statement Mr. Norman Quick, Chairman of the Group, also reported:

- The Group turnover for the year to 31 December 1976 was £32,874,128, compared with £24,147,690 for the previous year, showing an increase of 36%.
- Trading profit (before interest) was increased by 59% from £545,555 to £860,850.
- Profit before tax rose by 78% from £287,649 to £510,836.
- Earnings per 5p share were increased by 74% from 3.55p to 6.2p.
- A Final Dividend of 0.523p per 5p Ordinary Stock Unit is declared, making 1.032p the total for the year which is the maximum allowable under statutory dividend limitations.
- The superb achievement reflects the high standards of the Quick Group staff, backed by the enormous demand for an excellent product range from Ford Motor Company.
- Results continue to improve. All of us in the Quick Group are professionals and we are extremely optimistic for 1977 and into 1978.

Quicks for Ford

Copies of the Annual Report and Accounts are obtainable from the Secretary, H. & J. Quick Group Ltd., 600 Chester Road, Old Trafford, Manchester M16 0GR.

Domestic cutback by TKM

THE POLICY of Toser Kemler and Millburn (Holdings) is to develop cross frontier business and curtail domestic trade finance within countries, states Mr. K. A. C. Thorogood, chairman, in his annual review.

Contrary to popular belief, he tells members, international financing can be a good deal less risky than domestic lending, particularly in these days of progressively sophisticated credit insurance arrangements for international trade.

The proportion of total outstandings by way of bills receivable and bills negotiated/discounted which is subject to credit insurance is now as high as 72 per cent.

When this cover is taken into account, the company's actual plus contingent liabilities to bankers, compared with funds invested in the business by shareholders and subordinated loan stock holders, is only 5.2 to one.

A considerable amount of the balance of outstandings not credit insured is protected by security, he adds.

The chairman says that although it is too early to forecast the outcome of 1977, he hopes 1976-77 was £265,017.

Turnover for the first half was up from £2.85m to £3.22m, after deducting the material content of £1.54m (£1.27m).

Profits were struck after interest of £225,000 (£193,000). Extraordinary debits took £31,000 (£24,000). Again there is no interim dividend. The last payment was a total of 1.6706125p net for 1976-77.

The directors say the group is using the breathing space provided by T.E.S. to reduce operating costs still further, to consolidate its businesses on a reduced number of sites, and to realise surplus assets, all of which involves consultation and negotiations with trades unions and staff.

Although the group is operating well within its facilities, the board is continuing to give priority to reducing bank borrowings.

LAURENCE SCOTT

The preliminary results of the electrical and studio services, Sir Joseph Causton, equipment concern will be available before the end of June, and the annual report should be out by the beginning of September, although the company state in a circular to shareholders.

Subsidy helps Causton

DUE LARGELY to the temporary employment subsidy payments received during the period, lithographic and letterpress printers and studios, Sir Joseph Causton, and Sons made a modest profit of £35,000 for the six months to the end of March 31, 1977 compared with a loss of £271,000. The loss for all 1976-77 was £265,017.

After tax up from £788,000 to £880,000, stated earnings rose from 8.17p to 10.19p per 25p share and the dividend is raised from 4.41p to the maximum permitted 4.54p out with a final 6.2284p.

London and Northern Group Limited

Results for Year Ended 31st December 1976		
	1976 £'000	1975 £'000
Group Turnover	227,000	226,000
Trading Profits	9,449	8,667
Foreign Exchange Profits	2,380	1,420
Provisions against development land and related work in progress	(2,360)	(510)
Exceptional loss in overseas subsidiary	(400)	—
Profit before tax	9,579	9,577

* After an increase in minority interests in overseas earnings, earnings per share were 5.09p against 5.52p.
* Net borrowings have been reduced as anticipated.
* Annual dividend maintained at 3.25p per share.

BRITISH HOME STORES

... sales, on a 52 week comparison — up 17.6%

... operating profit before tax, against 53 weeks — up 16.4%



Points from the statement by the Chairman, Sir Jack Callard:

	52 weeks to 2nd April 1977 £'000	53 weeks to 3rd April 1976 £'000	Increase %
Sales	244,326	210,633	16.0
Trading Profit	28,912	25,404	13.8
Operating profit before taxation	25,498	21,911	16.4
Dividends on ordinary shares			
Interim 2.5163p per share	2,569	1,820	
Final 3.1p per share	3,165	3,165	
Total 5.6163p per share	5,734	4,985	
Earnings per share	11.88p	10.99p	

... despite difficulties our sales performance reflects an improvement in our market share.

In all the difficult circumstances our staff have demonstrated a high degree of loyalty; this applies equally to our suppliers. I thank them all.

Plans are in hand for likely new stores in Kingston, Peterborough, Staines, Eastbourne and Maidstone and extensions at Glasgow, St. Albans, Mansfield, Wigan and St. Helier (Jersey).

■ SavaCentre Limited, the company which we own jointly with J. Sainsbury Limited is well advanced for the opening of its first hypermarket at Washington, near Sunderland and Newcastle. The opening is due in November of this year.

■ Within the next few months, we shall open major new stores at Leeds and Dublin and during 1978 at Bromley, Barnsley, Kensington High Street and Dundee.

The sales areas of our Birkenhead and Liverpool stores will be doubled this year, and major extensions at Stockport and Edinburgh completed in the next two years.

BRITISH HOME STORES

Sales £000

Year	Sales (£000)
1972/3	99,940
1973/4	121,021
1974/5	161,798
1975/6	210,633
1976/7	244,326

Operating profit before tax £000

Year	Operating Profit (£000)
1972/3	13,342
1973/4	15,464
1974/5	18,598
1975/6	21,911
1976/7	25,498

Net capital expenditure £000

Year	Net Capital Expenditure (£000)
1972/3	4,226
1973/4	7,247
1974/5	14,382
1975/6	11,934
1976/7	14,268

New, higher forecast by Assoc. Engineering

THE directors of Associated Engineering are hopeful of topping the January prediction of no less than £30m. in the current year ending September 30, 1977.

Mr. J. N. Ferguson, chairman, reports that first-half results are better than forecast, with pre-tax profit advancing from £9.1m. to £16.4m. on turnover 18 per cent. higher at £142.7m.

increase its position in the increasingly competitive export markets of the world. Exports from the U.K. were £22m. in the first half and in total direct exports and sales by overseas companies amounted to 30 per cent. of total group sales.

Exports from the U.K. were £22m. in the first half and in total direct exports and sales by overseas companies amounted to 30 per cent. of total group sales.

Progress at Burco Dean

MANUFACTURERS of domestic and industrial appliances, kitchen furniture and holloware, die-casting and plastic mouldings, Burco Dean, reports turnover in 1977 increased to £12.31m. for the half-year to March 31, 1977, and an advance in profits from £341,520 to £505,000 before tax of £255,000 compared with £180,762.

Revenue rise for Scottish Investment

Total revenue of Scottish Investment Trust Company for the six months ended April 30, 1977 increased from £1.74m. to £2.05m.

LONRHO

Half-Yearly Results

The unaudited results of the Lonrho Group of Companies in respect of the six months ended 31 March 1977 are as follows:—

Year to 30 Sept	6 months to 31 March 1977	6 months to 31 March 1976	Percentage Increase
	£m	£m	%
Turnover			
Group	554.0	431.8	
Associates	21.2	45.2	
	575.2	477.0	20.6
Profit before Taxation			
Group	37.6	29.9	
Associates	1.4	3.3	
	39.0	33.2	17.5
Taxation			
Group	21.1	18.1	
Associates	17.9	15.1	
	39.0	33.2	17.5
Minority interest	3.9	4.3	
Profit attributable to Shareholders			
before extraordinary items	14.0	10.8	29.6

Lonrho Limited, 138 Cheapside, London EC2V 6BL.

26 May 1977

Morland rise

Pre-tax profit for brewers, wine and spirit merchants, Morland and Co., advanced from £202,474 to £385,825 for the half-year ended March 31, 1977.

McLeod Russel estimates £5.69m.—to pay 10p.

IN THEIR interim statement the directors of McLeod Russel estimate pre-tax profits of £5.69m. for the year to March 31, 1977, compared with £2.45m. for 1976.

As the intended level of dividend will be in excess of 8.5p per share the Preferred Ordinary shares will, on payment, become Ordinary shares.

After £91,000 (£44,000) for Preference dividends but before adjusting for the finalisation of the sale of assets by joint interests in India, or other extraordinary items, the earnings per Preferred Ordinary and Ordinary share are estimated at 35.23p (£34.99p).

As a result of the continuing satisfactory flow of remittances from India and the strengthening of the group's financial position on the acquisition of various companies in terms of the offer of February 11, 1976, to the stockholders of Unconsolidated Tea and Lanka and Ceylon Holdings, material amounts are now becoming available for investment outside India.

	1976-77	1977-78
Trading profits	£5.75m	£11.1m
Share associates	£1.1m	£1.2m
U.K. tax	£0.1m	£0.1m
India tax	£2.45m	£3.5m
Assoc. U.K. 1st. costs	£1.0m	£1.1m
Assoc. India 1st.	£0.5m	£0.6m
Minority	£0.3m	£0.4m
Net profits	£3.6m	£8.8m

Another recent impost has been an increase in the rate of agricultural income-tax payable on profits earned in the State of Assam, which is now 70 per cent. against the 62 per cent. previously obtaining.

A cash offer was made in October 1976 for the 24.90 per cent. of the capital of Makum (Assam) Tea Company not already held. This was successful and the company is now a wholly-owned subsidiary.

The proceeds of the sales are estimated at the equivalent of some £5.9m., satisfied as to the group's share of the profits of £75,000 by the issue of fully-paid equity shares in Tata-Finlay with the balance of £3.1m. payable in cash which is due to be remitted from India at various dates within a period of five years from the date of allotment.

Another record year for Sparrows

£1,312,000 pre-tax profits

Extract from statement by Mr. A.W. Sparrow, Group Chairman.

Financial Highlights	1976	Increase over 1975
Sales	£8,551,000	£1,346,000 19%
Profit—Pre-Tax	£1,312,000	£247,000 23%
Earnings per Share (After a Full Tax Charge)	29.1p	5.3p 25%
Dividends per Share	4.82p	0.43p 10%
Net Assets per Share (Before deducting Taxation on Equalisation Account)	271.7p	51.9p 23%

- Basic earnings per share 60c because no tax payable on profits due to availability of capital allowances.
- New depots in Orpington and Aberdeen producing good results.
- Hire contract initially worth £1.6m secured in Saudi Arabia. As work only started last November, no income or profits have been brought into 1976 figures, though long term presence in the Gulf area is anticipated.
- Over £2m spent on new cranes for U.K. depots.
- Excellent fleet of cranes acquired in Houston, Texas. Prospects of growth in our overseas business greatly increased.
- Share issue of 3 new Ordinary Shares for every 2 currently held to be recommended. It is proposed to implement this by an increase in Authorised Share Capital from £0.75m to £1.25m.

A copy of the full report and accounts is available on request from the Secretary.

SPARROWS

Sparrows International Lifting Specialists
Lower Bristol Rd, Bath, BA2 9ET.
Tel: 0225 21201 Telex 449246

Brent Chemicals International

Worldwide Speciality Chemicals and Systems

Rapid Expansion Maintained

Year ended 31st December	1976	1975	1974	1973	1972	1971	1970
Sales	£13,801	£9,807	£6,641	£3,720	£2,167	£1,403	£1,172
Profits before tax	1,586	1,082	702	384	241	155	53
Earnings per share	12.1p	8.7p	5.5p	3.2p	2.5p	1.5p	0.6p

I am pleased to be able to report satisfactory progress in 1977. In the first four months Group sales and profits, which have benefited from the inclusion of Savilles Hydrological Corporation, are well ahead of last year and in line with plans.

— J.S.M. Jones, Chairman.

If rate of Advance Corporation Tax is reduced as envisaged in the Budget an additional net dividend of 0.048p will be paid together with the 1977 interim dividend.

Copies of the report and accounts may be obtained from The Secretary, Brent Chemicals International Limited, Ridgeway, Iver, Bucks SL0 9JJ.

We're a big name in world transport.

It's time you got to know us a little better.

Our name is the Nedlloyd Group. A name that probably conjures up the sea and the world of shipping. The assumption would in fact be quite right, but there's something else you ought to know. Shipping has been, and still is, the backbone of our operation. But we no longer deal with just shipping alone.

A tightly-knit combination. Today, in 1977, the Nedlloyd Group (which used to be known as the Netherlands Shipping Union Group of Companies) is a tightly-knit combination of shipping lines, stevedoring companies, forwarding companies and transport, airfreight, offshore drilling and industrial service businesses. Altogether there are around a hundred companies, employing some 17,000 people all round the world. It's a dynamic organization, growing all the time. Between 1970 and 1976, turnover rose from Dfl. 1,460 million to Dfl. 2,390 million. Over these seven years, investment totalled Dfl. 2725 million—and Dfl. 1870 million of this came from the Group's own cash flow. (One Dutch guilder is about U.S. dollar 0.40)

Balanced structure. Our success is very largely due to the careful and patient building of a well-balanced, integrated group of complementary companies. A ship, or an aircraft, or an articulated truck all fit in equally well with the broad outlines of our corporate philosophy. This makes it possible to offer such a comprehensive package of services.

Nedlloyd Group

Please write to: Nedlloyd Group, P.O. Box 100, 1000 AA Amsterdam, The Netherlands.

Name _____
Company _____
Address _____
City _____
Country _____

JPK 150

INTERNATIONAL FINANCIAL AND COMPANY NEWS

VFW-Fokker loss of DM5m.

By Adrian Dicks
DUSSELDORF, May 26.
VEREINIGTE FLUGTECHNISCHE WERKE-Fokker, the West German-Dutch aerospace group, reported today a DM5m. loss in 1976, and warned of the inevitability of short-time working as a result of the continuing depression in civil aircraft markets.

DAIMLER-BENZ

Sales rise of 10% likely this year

BY GUY HAWTIN
FRANKFURT, May 26.
WHILE MOST West German motor manufacturers are still clawing their way back to 1973 vintage production levels, demand for Daimler-Benz's products still far outstrips supply. Customers have to wait six months for cars at the upper end of the Mercedes range, while at the lower end delivery takes about two years.

Currency Board barred from aiding UAE banks

BY RICHARD JOHNS
ABU DHABI, May 25.
THE UNITED Arab Emirates Government is refusing to allow the Currency Board to use its initiative to provide emergency assistance to banks which may be in trouble here.

A stronger base for the French crane industry

BY DAVID CURRY
PARIS, May 26.
FOLLOWING the recent move to create larger units in the chemical fertilizer, engineering, and machine tools fields, the French Government is now studying a scheme to strengthen the country's crane industry.

KemaNord to buy out Nitro Nobel

By William Dullforce
STOCKHOLM, May 26.
KEMANORD, the Swedish chemicals concern, which failed in a bid to take over the Swedish Nitro Nobel Explosives Company.

Avis shareholders rally

BY STEWART FLEMING
NEW YORK, May 25.
SHAREHOLDERS at the annual meeting of Avis, the world's second largest car rental company, have voted to approve resolutions which would protect the company from takeover.

Commonwealth Oil saved from bankruptcy

COMMONWEALTH OIL Refining Company was on the brink of bankruptcy before Ashland Oil stepped in with emergency aid, according to Mr. Gary W. Davis, president of Commonwealth.

W. R. Grace take-over

W. R. GRACE AND CO. has agreed to acquire Pic 'N' Pay Stores in an exchange of Grace common shares for Pic 'N' Pay shares.

Record at Western

THE WESTERN COMPANY, North America has reported record net income in the quarter to March 31 of \$9.41 or \$6 a share on sales of \$38.24m compared with \$3.25 or \$1 a share, on sales of \$31.61m, the same period last year.

Texaco criticises FTC authorisation

TEXACO HAS said the Federal Trade Commission authorisation this week for its staff to take

Pepsico talks with Pizza Hut

PEPSICO, the second largest producer of soft drinks in the world, said it is entering into discussions with Pizza Hut, fast-growing U.S. restaurant chain, aimed at reaching agreement on a merger, reports our New York correspondent.

Weisscredit offshoot lost £52m.

ZURICH, May 26.
KNOWN LOSSES of the Liechtenstein holding company Finanz- und Verlehnungsanstalt, of Schaan, are equal to some £52.7m, according to a statement made today to the Financial Times by the authorities of the Principality.

This announcement appears as a matter of record only. May 1977



Banco Nacional de Obras y Servicios Públicos, S.A.

U.S. \$150,000,000

Medium Term Loan

Managed by

- Banco de Santander
Bank of Montreal
Bankers Trust International Limited
Dresdner Bank AG
Lloyds Bank International Limited
Orion Bank Limited

Co-Managed by

- Libra Bank Limited/Banco de Comercio S.A.
Pittsburgh National Bank

Provided by

- Banco de Comercio S.A.
Los Angeles International Banking Branch
Banco de Santander
Bank of Scotland
Bankers Trust Company
The Chase Manhattan Bank, N.A.
Dresdner Bank AG London Branch
Libra Bank Limited
National Westminster Bank Group
Pierson, Helderling and Pierson (Curaçao) N.V.
Slavenburg Overseas Banking Corporation
UBAF Arab American Bank
Union Trust Company of Maryland
Canadian American Bank S.A.
Banco Internacional S.A.
Bank of Montreal
BFG Luxembourg S.A.
Chemical Bank
International Commercial Bank Limited
Lloyds Bank International Limited
Orion Bank Limited
Pittsburgh National Bank
Standard Chartered Bank Limited
Union Bank of Finland International S.A.
United States Trust Company of New York

Agent

Bankers Trust Company

Standard Chartered Bank Limited
(Incorporated with limited liability in England)
US \$50,000,000
Floating Rate Capital Notes 1984
European Banking Company Limited
Credit Suisse White Weld Limited
Lazard Brothers & Co., Limited
Samuel Montagu & Co. Limited
Schroders & Chartered Limited
J. Henry Schroder Wagg & Co. Limited
Banque Nationale de Paris
Union Bank of Switzerland (Securities) Limited

INTERNATIONAL FINANCIAL MARKETS AND COMPANY NEWS

Heavy demand in South African bond market

RICHARD ROLFE
MARKETS in South Africa are experiencing a period of buoyancy...

applications for no less than R10.5m. The main reason for the rampant interest in these bonds is that they are classified as prescribed securities...

JOHANNESBURG, May 26. The Reserve Bank's schedule of bond issues through to the end of December indicates...

Petrolane seeks new purchases

SAN FRANCISCO, May 26. PETROLANE is pursuing acquisition in the energy field, with the prime targets being petroleum services...

OFFSHORE BONDS

A Far East phenomenon

FEW, if any, financial instruments can have had such a rapid takeoff as the offshore Hong Kong dollar bond. Until three weeks ago they were a mere profitable trickle...

international standards which have attracted the attention of borrowers, particularly if they can raise money without having to pay interest tax. Recognition by foreign investors that the HK\$ has shown a tendency to appreciate in recent years...

Return to profit for FKH

Jonathan Carr, BONN, May 26. ERICH KRUPP Huettener (FKH), the steeling arm of the Krupp group, reduced its losses in 1976 and has been out of the red since March this year. But no forecasts whether it can be made for the year as a whole and a dividend for the first time in 1977.

Granges' new chief

BY WILLIAM DULLPORCE STOCKHOLM, May 26. MR. JOHAN Aakerman, managing director of Granges, the crisis-ridden Swedish heavy industry group, announced today that he will return to his post as general manager on May 31. In a letter to the Granges Board in March, Mr. Aakerman said he would stay in his post for a year or two to complete the restructuring of the group.

Revlon dividend vote

REVLOON directors have voted to increase the quarterly dividend on Common stock to 25c a share from the previous 22c. The increase is the fourth since the third quarter of 1975, when there was a rise from 15c to 17c.

Panarctic lowers gas estimate

PANARCTIC OILS, of Calgary, has lowered its estimated natural gas reserves in Canada's Arctic Islands to 12,500bn. cubic feet from 16,000bn., according to filings with Canada's National Energy Board, AP-DJ reports from Ottawa.

Upsurge at Kyoto

BY YOKO SHIBATA TOKYO, May 26. KYOTO CERAMIC Company, to buoyant sales of crystal oscillators for electronic equipment, exports increased by 30 per cent., accounting for 65 per cent. of the total sales. The sale of a ¥501bn. ceramic component manufacturing plant to the Soviet Union also contributed to the export gain.

SELECTED EURODOLLAR BOND PRICES

Table with columns: Country, Currency, Value of OLR, Country, Currency, Value of OLR. Lists various international bonds and their prices.

U.S. \$500,000,000 European Economic Community

Advertisement for U.S. \$500,000,000 European Economic Community bonds. Includes details on U.S. \$200,000,000 7 1/2% Bearer Bonds 1977/1982 and U.S. \$300,000,000 7 1/2% Bearer Bonds 1977/1984. Lists participating banks like Deutsche Bank, Banque de Paris, etc.

BANK OF AMERICA

World Value of the Dollar

The table below gives the latest available rates of exchange for the U.S. dollar against various currencies as on Wednesday, May 25. Exchange rates have been compiled by Bank of America NT & SA's worldwide network of branches from various sources...

Table with columns: Country, Currency, Value of OLR, Country, Currency, Value of OLR. Lists exchange rates for various countries and currencies.

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Province of Manitoba (CANADA)

Advertisement for Province of Manitoba (CANADA) bonds. Includes details on HK \$150,000,000 6 1/2 per cent Bonds 1982. Issue Price Cdn \$2,223.35 per Bond of HK \$10,000. Lists participating banks like Wardley (Vila) Limited, Hang Seng Finance Limited, etc.

FINANCIAL TIMES REPORT

Friday May 27 1977

BREMEN

The smallest state within the Federal Republic of Germany, Bremen's prosperity is firmly founded on a broad industrial base, including aerospace and shipping. But limited prospects for future growth are a source of worry. ADRIAN DICKS reports.

The value of local control

AT A MOMENT when Britain is nervously wondering how much self-government it dares give to Wales and Scotland, the Federal Republic of Germany offers perhaps the most successful example in Europe of a country which has found that true power can be shared between the centre and the regions. But while rough parallels might be drawn between, say, Scotland and Bavaria as historically distinct and culturally self-aware regions, what are outsiders to make of the existence of the three smallest of the German federal states, the Saarland and the free Hanseatic city-states of Bremen and Hamburg? Do they make sense?

Anyone in doubt of the answer need only pay a visit to Bremen, the smallest of them all, in order to see what local control over taxation, can mean in practice. The 710,000 inhabitants of Bremen and Bremerhaven, the two towns 60 kms apart which make up the city-

state, are the descendants of people who have jealously prized their autonomy since the Middle Ages, succeeding most recently in the post-war years in persuading the allies that they should be placed on the same footing constitutionally as the 17.3m. people of North Rhine-Westphalia or the 10.8m. inhabitants of Bavaria.

It is not unknown for other West Germans to marvel at this political legerdemain, and to point out that in terms of population Bremen itself is only 11th largest among West German cities, neck-and-neck with Hanover and Nuremberg, yet some way behind Duisburg.

Bremen itself would shrug off any attempt to belittle its independence, and could invoke all the arguments of history and economics that its Hanseatic tradition implies. No less than Hamburg, this is a city that has thrived, and fulfilled its essential seafaring and trading role, precisely because the city fathers know how to encourage it. And although it is easy for a visitor to be absorbed in the details of this subtle and fascinating commercial past, it is important principally because it has so much to do with Bremen's present.

In a recent speech about the city-state's prospects in the future shape of the European transport network, the Bremen senator for ports, shipping and transport, Herr Oswald Brinkmann, remarked that the key advantage of Bremen and Bremerhaven compared to their bigger rivals was the existence of "a fair and trusting co-operation between business and politics... everyone here

knows, and has his own opinion of, everyone else. The words 'friendship' and 'partnership' are not foreign in spite of keen competition, but belong to the everyday usage of the Bremen transport world."

The senator's description is one that could be applied to most branches of Bremen life. A visitor is struck at how far everyone does seem to know everyone else—and their business. Formality and protocol, so much a part of political and corporate life in most of Germany, are refreshingly absent here: why stand on ceremony when a quick telephone call or two can get matters settled? If that sounds like a city designed and run by businessmen, Bremen would probably accept the distinction gladly, for that is what the Hanseatic spirit stands for nowadays if it stands for anything.

Prosperous

More surprising, at least to non-Germans, may be the fact that this thriving and prosperous city-state, its economy heavily dependent on trade and shipping, and its per capita domestic product of DM21,000 (£3,185), should be among the firmest bastions of progressive social democratic politics. In most of the federal states, where it is in power, Herr Helmut Schmidt's SPD is in a sorry state at present, beset in some places by charges of patronage and corruption, and in others by strained relations with the Free Democrats (FDP) with whom it is joined in coalitions (as it is in the Federal Government in Bonn).

Bremen/Bremerhaven is the exception. The SPD, under the firm leadership of Herr Hans Koschnick for the past decade, governs alone and appears firmly in the saddle. The party has had its strains, no less than in other parts of Germany, as a new—and generally more left-wing—generation of intellectuals has won a greater voice in the councils of what was, a generation ago, a solidly working-class movement. But while it is not entirely clear that these two elements can shake down together everywhere, the Bremen SPD (in the words of a senior member of the Koschnick team) has "learned to live together."

The next test of this will come in 1979, when the population of the two towns must elect a successor to the present Assembly, in which the SPD has 52 out of 100 seats. The party may well, on past performance, continue to benefit from relatively weak opponents in the local Christian Democratic Union. And it may on the other hand stand to suffer if the party nationally is in no better shape than at present.

Mayor Koschnick, himself one of the vice-chairmen of the national SPD, will doubtless see as his strongest suit the party's record in its long tenure of office in Bremen. In many respects it is an enviable one. Bremen is not merely an attractive and a highly "liveable"

city, with theatrical, musical and academic activities as fine as those of many much larger cities. It also boasts an excellent range of social services, a high priority set on education, with 60 per cent of children attending the equivalent of grammar school, and a Surinam record in proportion to its population for council-built housing—over 220,000 dwellings since the war.

What is now in question, in Bremen as in the rest of Germany, is the economic base of this prosperous way of life. Shipping and the ports of Bremen and Bremerhaven are by far the most important sectors, and will probably remain so if the Senate and the major companies which make up the private side of these industries are correct in their forecast that the Bremen/Bremerhaven strategy of increased concentration on general cargoes and container traffic bears fruit.

The city-state's economy is, however, broader than its traditional dependence on the sea might suggest. The historical links of overseas trade have, for a start, helped to build up a valuable group of industries, specially geared to the processing of raw materials—for example, coffee roasting, wool washing and combing, animal feedstuff production from grains and seeds, cotton handling, tobacco dealing and, more recently, steelmaking.

For Bremerhaven, which is even more closely tied to the maritime industries (to the tune of 70 per cent of its jobs), there is also the deep-sea fishing and fish processing and packing sector, accounting for some 40 per cent of all the fish landed in West Germany.

Bremen's Senate has long

been concerned to try to spread the economic base wider. It received a major setback in 1960, with the closing down of the Borgward motor company, when 20,000 jobs were lost. Yet the motor industry has still been represented by Hanomag-Henschel, now part of the Daimler-Benz group, which earlier this month confirmed plans to build as from next January the long-discussed Mercedes station wagon and a new generation of small vans in the former Borgward plant.

No less important have been the range of machine tool and machinery companies based in the city-state, and the electronics and electrical consumer goods sector including television radio and colour television manufacturer Norddeutsche Menke.

Food processing and brewing—including such well-known brands as Beck's Beer—are also major employers: all told, the food and luxury goods industries account for nearly one job in four.

But of all Bremen's major activities, it is perhaps proud-est of its aircraft and space industry, based on the West German-Dutch company VFW-Fokker and its subsidiary ERNO, which occupies a unique place in the European space industry.

Varied

With such a broad and varied palette of activities, does Bremen have any serious reason to worry about its future? The short answer is yes, according to Herr Dieter Tiedemann, the senator for economic affairs. A study of the city-state's economic prospects up to 1985 carried out for the Senate has sug-

gested that for 90 per cent of the industries represented in the Bremen economy, there are only limited prospects for further growth. If nothing were done, Bremen would find itself short of 20,000 jobs in eight years' time—even allowing for a steady slow trickle of population out of the city itself, which has now reached 4.1 per cent over the past 10 years for Bremen (mostly to the gain of the outer suburbs in Lower Saxony), and 1.5 per cent for Bremerhaven (mostly to the rest of the country).

More immediately, Bremen has begun to learn how painful dependence on heavily cyclical industries such as steel and shipbuilding can be, while the uncertainties still weighing on the future of the VFW-Fokker main aircraft project in progress, could still lead to further difficulties.

Senator Tiedemann and his colleagues are keenly concerned to bring in new industry, especially to Bremerhaven where local unemployment has reached 7 per cent—yet where deep water, modern port facilities and land for factories are all available. Beyond this, which they concede is an appeal that many coastal cities in Europe can nowadays make, they stress the role of regional metropolises which Bremen carries out for a large area of surrounding Lower Saxony, and predict a growing role in the future for services.

In some of these, such as banking and insurance, Bremen has long been an important centre, with many specialist institutions that have grown up with shipping and shipbuilding customers into a key element in the national picture.



Cockerel, cat, dog and donkey: the Bremen Town Musicians statue in the market place.

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SUMMARY OF THE BALANCE SHEET 1976

Assets	in million DM	Liabilities	in million DM
Long-term ship loans	1,683.4	Ship mortgage bonds and loans	1,774.1
Lendings due in 4 years or less	186.8	Liabilities due in 4 years or less	128.5
Transmitted loans	56.6	Transmitted loans	56.6
Liquid assets	63.7	Proprietary capital	73.0
Securities	5.9	Other liabilities	62.7
Other assets	53.6	Balance sheet profit	5.0
Total assets	2,050.0	Total liabilities	2,050.0
		Guarantees	158.5
		Volume of business	2,208.9

The Annual General Meeting of the Shareholders, held on 12th May 1977, passed a resolution determining that the balance sheet profit for the year ended 31st December 1976 in the amount of DM 4,950,000 be appropriated for the distribution of a dividend of 15 %.

The Annual Report for 1976 is available on request from the address below. The booklet in which the report is presented also includes surveys of trends and developments in the various branches of shipping and in shipbuilding.

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„ We soon reached agreement with the appropriate authorities. In doing so, we discovered in the Ministry of the Economy and Foreign Trade of the City of Bremen an authority that works with less red tape and more speed than almost any we have ever come across before. „

Dr. rer. pol. Walter Schmidt,
Spokesman of the Board of Management
of the Kölsch-Fölzer Werke AG, Siegen,
at the topping-out ceremony for their
new branch works in Bremerhaven.

The opinion of a management spokesman who had spent years looking for the ideal site for his business. He found it in Bremerhaven. Kölsch-Fölzer required direct access to shipping waters, room for later expansion and a pool of highly-qualified technical labour. These and more are offered by Bremen and Bremerhaven.

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BREMEN II

The maritime sector

MANY cities, if they had choice, would opt to earn living from the sea at the moment. Bremen has done so, however, and its some broadening of the vital base to include less locally Hanseatic activities as food processing, aircraft machine tools, the sea (the essence of the city's economy).

reckoning, by the Bremen Chamber of Commerce, put this industry as high as 30-40 per cent of the gross domestic product. Ancillary trades and services are counted in as well as main activities of shipping and cargo-handling, shipbuilding and fisheries. The port company itself has the number of jobs which depend on these maritime activities to be as high as 100,000.

is a port, Bremen has had to with certain disadvantages a long time. Most obviously, it lies 70 km inland up the Weser. It is now exactly 100 years since the city fathers, with the slow strangulation of Bremen's trade as the river became silted up, decided to establish a new harbour at Bremerhaven, purchasing the land needed to found a new port at the river's mouth—and getting the precedent which is followed by other ports as London and Rotterdam have followed of dredging to deep water.

subsequent dredging of the river gave Bremen itself a part in the 19th century, being ocean-going vessels to the city docks and to the bases of the trades which Bremen has become Germany's specialist, such as coffee, wool, cotton, copper, iron, and more recently fish, vegetables, feedgrains and seeds.

Limit

current water levels in the river impose a limit of about 100,000 tons on ships sailing up-river. If these seem actively small by the standards of the giant tankers and carriers which have become rearingly numerous in recent years, Bremen's ready answer is that it has no intention of being carried away by fashion. The port has made a virtue of a necessity by seeking a general cargo business, recognising that much of this will have to be carried in smaller vessels which are more suitable for ports in developing countries. Moreover, many of the commodities in which Bremen has long made itself dominant—high-value raw materials and whose importation has been growing up. Half of



West Germany's coffee, to give only one example, is roasted and packed in the three big plants in Bremen, while the port also has a de facto monopoly in the handling and marketing of Indonesian tobaccos through the periodic auctions of the Bremen Tobacco Exchange.

During the next three or four years, the West German Government will complete dredging work that will deepen the Weser so as to take ships of up to about 35,000 tons up to Bremen's city docks. Although this will still not allow the largest container ships to go upstream fully laden, Bremen port officials express no alarm and point out that on the trades in which the city docks are specialised, the limits imposed by the Suez and Panama canals are more important constraints.

They also believe that most ship-owners will want to pay off the investments they are making in the current generation of container vessels before any substantial increase in average size becomes sufficiently widespread to threaten the port.

In any case, Bremen has at Bremerhaven, water deep enough to take virtually any container ship now afloat and has spent DM300m on construction of the new container terminal there. As the first West German port to be "containerised" in 1966, Bremen has seen traffic expand from 72,000 tons in 1976. During the first quarter of 1977, the container traffic grew by 30 per cent over the last quarter of 1976, and by 1980 is expected to have risen to 45-50 per cent of the port's total traffic.

As a result, Bremen is spending a further DM130m, on extending its container-handling quays at Bremerhaven in order to accommodate the growing number of services which use it (currently 41). No less, the port is a major terminal for roll-on/roll-off services, and for LASH systems. In order to expedite handling and documentation of all of these, it is inaugurating on June 7 a system known as COMPASS—Computer Orientated Management of Port and Shipping Services— to rationalise and control freight movements. This is expected to cost some DM5m, by the end of next year, and involves more than 100 port and cargo-handling firms as well as the port operating company and the federal Ministry for Research and Technology.

to duplicate while it sees a prosperous future ahead in its role as a general cargo port. No less strong a tradition in Bremen and Bremerhaven than shipping is shipbuilding. In Bremer-Vulkan and A.G. Weser, the city-state possesses two of West Germany's leading yards, together with a good number of smaller companies. These are difficult days for shipbuilding everywhere, however, and with 25 per cent of West German total capacity, Bremen yards have not been able to escape the crisis. In 1977, it has been calculated by the West German shipbuilding industry federation, the industry can expect to work at no more than 70 per cent of capacity, while next year it should be ready to see this figure drop to 25 per cent. It remains to be seen how well individual shipbuilders will weather the very stormy patch ahead. But it seems to be accepted in Bremen that those in a position to "buy" orders from cash reserves either of their own or from parent steel companies may turn out to be able to keep their activities going. Bremen yards, in common with those elsewhere, have tried to make more flexible use of the capacity installed in recent years for building super-tankers. They have also been making efforts to close down less efficient facilities and to run down workforces through early retirement and natural wastage. So far, short time working and lay-offs have been largely avoided. Yet there is little doubt that many yards will be forced to both measures next year, although in common with the rest of German industry, shipbuilders are ready to go great lengths to protect jobs

Chemicals

In addition to general cargoes and special systems, Bremen also has important bulk-cargo facilities, both for grain and feedstuffs, and for bulk chemicals and iron ore—for which the Bremerhaven Weserport facilities can handle 30,000 tons a day. There is a limit of between 80,000 and 90,000 tons on the size of ships which can be taken fully loaded at Bremerhaven, but although this would exclude the very largest bulk carriers already in service, Bremen officials profess not to be concerned. There is little sign of political pressure from Bremen for the further deepening of the Weser approaches: one reason for this is the existence of a deep-water crude oil port at Wilhelmshaven, which Bremen has no ambition

and to hold on to skilled workers. Yet employment in Bremen shipyards has already dropped by over 2,000 during the past two years. It is accepted by the Bremen senate that between now and 1985, the industry will need to contract by at least 2,000 more if it is to survive.

In the meantime, the city-state's Government is lobbying vigorously for a further increase in the federal ship-owners' credit subsidy, raised only two months ago from 12.5 per cent to 17.5 per cent. In conjunction with other State Governments dependent on shipbuilding, Bremen has offered to contribute funds of its own towards this. It is also pressing hard for an increase in the share of orders placed by West German shipowners with West German yards from the present 40 per cent.

There are hopes for some new orders from the Bonn Government's DM170m, in development aid earmarked for the purpose last year, to which a further DM180m. may be added this year, though this is likely to produce orders mainly for smaller craft. The federal Government's attempts to bring forward contracts where it can, such as those for new warships, is also expected to provide some relief.

In the meantime, Bremen is taking measures of its own to help ease the restructuring of the industry and its diversification into other product lines such as machinery-building. About DM100m in guarantees has been provided by the senate to smaller companies in the industry in order to safeguard jobs.

1877-1977 100 YEARS BLG

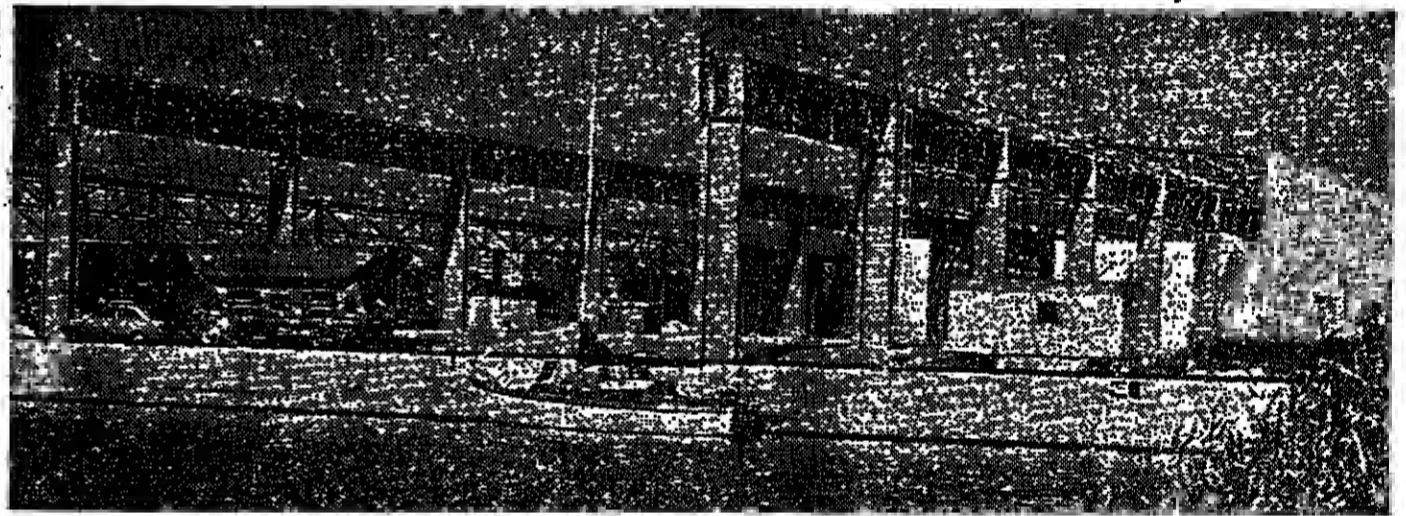


The start of our 2nd century.

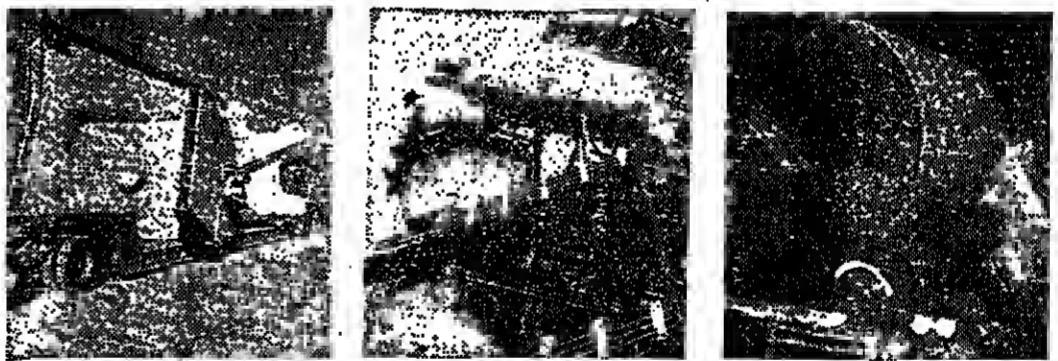
It's our birthday! We - the Bremer Lagerhaus-Gesellschaft with our 4,000 employees - are proud to be celebrating the first hundred years of the company's existence. Proud to have been at your service operating the Ports of Bremen.

Our centenary is a great occasion to say thank-you to all our friends around the world for the confidence they have had in us all these years. Now, at the start of our second century, we've got every reason to be happy. Modern fork lifts have taken the place of the hand-cart of years gone by. Long ago the leisurely movements of the cranes gave the port that

romantic air. Today ultra-modern container facilities do the work of days in a matter of hours. In the past we mastered every problem that came our way. With your help we'll master the problems that will crop up tomorrow. For your benefit.



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Aerospace projects

THE AEROSPACE industry is recently a matter both of pride and concern in Bremen. Because of the skilled workforce of some 6,000 is engaged in two significant programmes well as in a number of other ones: yet concerns, at the same time, because both short-term structural problems of the West German aerospace industry and the vicissitudes of business cycle seem to have been raised fresh queries for the long-term security of employment in the city-state.

Two closely related enterprises dominate the scene in Bremen, VFW-Fokker and its subsidiary, ERNO Raumfahrt-technik, which between them represent the largest concern in West Germany of the German VFW-Fokker group. The two companies are adjoining buildings at the edge of the Bremen airport, in practice share a good deal of the same facilities. There is a good deal of contact, might be expected, and access and experts can come from one to the other quite easily. Yet the two are quite distinct functions. ERNO is the main contractor for inter-governmental European Space Agency (ESA) for the construction of the club, which in turn is the which the U.S. National Aeronautics and Space Agency (NASA) entrusted to Europe in 1974 with America's own development of the space station, the next major manned project.

Confident
Yet ERNO has managed to bring the whole programme along to the point where it will be confident that the first flight of shuttle and spacelab will take place on schedule in just three years from now. Delivery of the assembled and tested spacelab will have taken place some six months earlier, at the end of 1979. Further, ERNO can state that the project has been accomplished within the upper range of the estimates of cost originally specified in January, 1974. These were set at the time at 308m, accounting units, each equal to DM3.22 (the then exchange rate with the U.S. dollar), including a 60m. A.U. margin for contingencies. This margin has been used up because of the modifications to both spacelab and shuttle designs during the course of the project's development, according to Herr Kosegarten, but will enable the orbiting spacelab to carry out more sophisticated experiments as well as make it a more comfortable place for its crew. Not least, however, spacelab promises to be a significant

political achievement, if it can demonstrate to the public on both sides of the Atlantic that the European aerospace industry is after all capable of carrying out, on time and within budget, its share of a major advanced technological project in conjunction with the U.S. For the Europeans, demoralised by some other facets of a technological gap that never seems to close, operational success for spacelab could also lead to significant follow-on orders.

NASA is not due to award contracts for the second spacelab before 1980, but the European contractors are keen to see definite indications of interest much sooner than that in order to phase out the flow of work and to provide proof that the new U.S. Administration means what it says when it promises that advance technological trade must be a two-way street (though so far the signs are highly promising). Looking even further ahead, ERNO hopes for orders from other U.S. and European Government bodies and even from private companies for spacelabs.

Meanwhile, the company has other interests, notably in the development of the European launcher rocket "Ariane" and in the new European telecommunications and navigational satellites, OTS and MAROTS. It builds its own line of small thruster motors for satellites, and it is involved in a number of non-space areas including marine technology and energy research. ERNO and VFW-Fokker executives and the Bremen Senate echo one another when they speak of the ambition that the city-state should become a high technology centre, based around the aerospace industry and with the support of the several outstanding scientific research institutes that exist. Yet for the present, a heavy cloud hangs over all this, and shows no immediate sign of going away.

This is the prospect that the parent company, VFW-Fokker, will find itself running out of work unless it can soon find orders for the main civil programme, which it holds at Bremen, the 40-44 seater short-haul VFW 614 jet airliner.

To date, the company has sold only 16 of the aircraft, though it has come close to several other major orders, of which the most tantalising for 41 aircraft was dangled before it by the U.S. Coast Guard. The West German Federal Government, as a sign of its continuing commitment to the programme, agreed a couple of months ago to release sufficient funds to build another 12 614s in addition to 16 already completed and unsold. It also agreed to make available up to DM49m, to help VFW-Fokker carry out its co-operation agreement with Romania for joint production of the 614.

Yet short-time working has become unavoidable in the view of Bonn, Bremen and the company itself, not because of the VFW 614 programme alone, but because of the parallel slowdown in new orders for the A-300 European Airbus, for which VFW-Fokker builds wing equipment in Bremen, and the accompanying dearth of work for the company on the military side. All three parties say they believe in the future of the 614 as a replacement on shorter routes for the present generation of smaller turbo-prop planes, and express the hope that orders are just around the corner. They will need to be if jobs are to be saved. For the longer term, Bremen is once again calling for a fairer division of work between north and south Germany in which the heavy dependence of the north on civil projects could be eased by sharing some of the military orders keeping the southern factories.



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WALL STREET OVERSEAS MARKETS + FOREIGN EXCHANGES

Mixed following bargain hunting Sterling easier

BY OUR WALL STREET CORRESPONDENT

NEW YORK, May 26

A MIXED TREND prevailed on Wall Street today, following a bargain hunting among recently depressed issues.

The Dow Jones Industrial Average regained 4.83 to 908.07 as the NYSE All Common Index rallied 10 cents to \$33.05, although declines still outpaced advances by 766 to 622. Trading volume decreased 2.09m. shares to 16.23m.

In the economic news, Saudi Arabia's Oil Minister said his Government is trying to avert an oil price rise by Opec nations on July 1. Also, revised first quarter figures showed a U.S. productivity increase, and U.S. Retail Sales showed a continuing gain in the latest week.

However, investors generally continued troubled by rising interest rates, spiralling inflation

The Fed reported a \$1.4bn. rise in Basic Money Supply (M-1) to 213.43 and Metals and Minerals mined 9.8 to 106.8.

Spain's 1977 and 1978 Domestic Petroleum shed \$1 to \$28.1.

Newfoundland Light "A" were off \$1 to \$12.1, as were Pits Engineering "C" at \$4.1, Banister Continental at \$10.1 and Falconbridge Nickel at \$22.1.

PARIS—Market opened slightly following measures announced Wednesday to help sectors of French industry.

Metals gained ground, except for Unior which eased Frs.0.3 to 22.5 on an expected 1977 loss.

Books and Pads were steady. Electricals and Constructions, Rubbers and Engineering mixed, while Portfolios eased.

Oils advanced, as did Chemicals. Americans led a decline in Foreign issues, followed by Coadmin and Coppers, while Golds and Germans were slightly firmer.

BRUSSELS—Most share prices fell despite this week's break-through in talks to form a new Belgian Government.

In Foreign stocks, French issues were mixed, while U.S. and G.M. issues were steady. German shares little changed.

GERMANY—Mixed in nervous trading.

In higher Engineering, Linde rose DM3.50 to 206.5, GEB DM3 to 188 and KHD DM15 to 168.

STERLING—Sterling eased to 171.70-171.75, where there was probably some support from the Bank of England. The pound improved to \$1.7170-171.75, but closed at \$1.7170-171.75, a fall of 22 points on the day. Its trade-weighted index on the basis of the Washington Currency Agreement, as calculated by the Bank of England, was unchanged throughout at 61.6.

Discounts on forward sterling narrowed, with the three-month pound finishing at 1.82 cents discount, compared with 1.95 cents previously.

The dollar declined against most major currencies, following publication of the latest U.S. trade figures showing a trade deficit in April. The U.S. currency closed at Sw.Frs.2.5655 against the Swiss franc, compared with Sw.Frs.2.5135 on Wednesday, and the dollar's trade-weighted depreciation since the Washington Agreement of New York, December 1976, to 1.15 per cent.

The Dutch guilder improved to Fl.2.4522 in terms of the dollar from Fl.2.4522, and the German mark rose to DM2.3540 against the dollar, from DM2.3538.

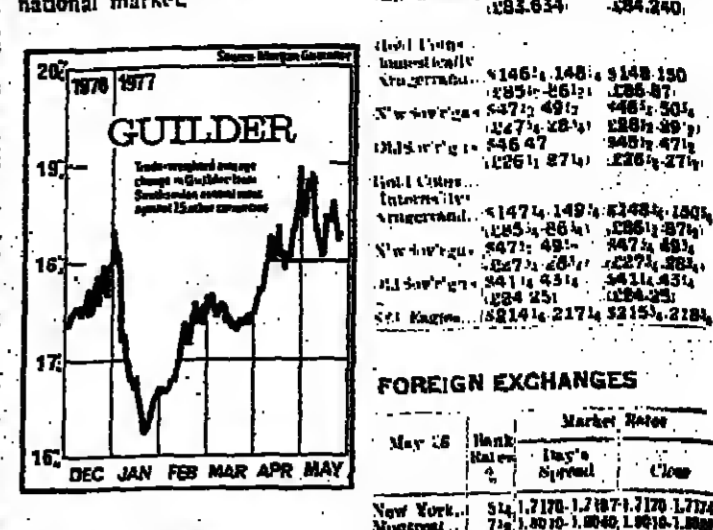
GOLD—Gold fell \$1 to \$183.1483 in London, but recovered to \$183.1483 in New York, where it was down 10 cents to \$183.1483. Wheelock "A" 24 cents to 2.60, Jardine "A" 24 cents to 2.60, Swire Pacific "A" 24 cents to 2.60, and China Light 21 cents to 2.10.

JOHANNESBURG—Gold shares were firm, despite lack of interest. Heavyweights gained up to 50 cents and "smaller" issues put on up to 10 cents.

In Financial Mining, "Jobannes" lost 100 cents to R2.10.

COPPER—Copper was little changed, while Platinum was narrowly mixed.

INDUSTRIALS were marginally mixed in quiet dealings.



THURSDAY'S ACTIVE STOCKS

Stock	Close	Change
Amer. Home Prod.	23.40	+1
Cent. Fin. Corp.	23.40	+1
Citicorp	23.40	+1
F. Mart	23.40	+1
Pizza Hut	23.40	+1
Chemical	23.40	+1
Schlumberger	23.40	+1
Texaco	23.40	+1
Northern	23.40	+1
Levitz Furniture	23.40	+1

OTHER MARKETS

Canada still lower

Canadian Stock Markets continued to lose ground in light trading yesterday.

The Oil and Gas Index dipped to 12.6 to 1078.4, Golds 4.9 to 931.5.

EXCHANGE CROSS-RATES

City	Rate
Frankfurt	4.75-4.80
London	1.7170-1.7175
Paris	16.25-16.30
Brussels	2.5655-2.5660
Geneva	2.5655-2.5660
Zurich	2.5655-2.5660

RIGHTS RATES

Company	Rate
Am. Int'l. Paper	1.15
Am. Int'l. Paper	1.15
Am. Int'l. Paper	1.15

Indices

NEW YORK - DOW JONES

Index	Value
Industrial	908.07
NYSE All Common	33.05
Transport	246.80
Utilities	118.11

Y.S.E. ALL COMMON

Index	Value
Industrial	1078.4
Oil and Gas	12.6
Gold	931.5

EURO-CURRENCY INTEREST RATES

Term	Rate
3 months	11.11%
6 months	11.11%
9 months	11.11%
12 months	11.11%

FORWARD RATES

Term	Rate
1 month	171.70
3 months	171.70
6 months	171.70
12 months	171.70

STANDARD AND POORS

Index	Value
Industrial	184.76
Transport	107.76
Utilities	107.76

MONTEREAL

Index	Value
Industrial	107.76
Transport	107.76
Utilities	107.76

EXCHANGE CROSS-RATES (Continued)

City	Rate
Amsterdam	2.36-2.40
Geneva	2.5655-2.5660
Zurich	2.5655-2.5660

FORWARD RATES (Continued)

Term	Rate
1 month	171.70
3 months	171.70
6 months	171.70
12 months	171.70

OVERSEAS SHARE INFORMATION

NEW YORK

Stock	Price	Change
Abbott Labs	39.14	+1
Adelphi Corp	11.14	+1
Aetna Life & Cas	32.74	+1
Air Products	23.24	+1
Airco	39.14	+1
Alcoa	39.14	+1
Aluminum	39.14	+1
Am. Int'l. Paper	39.14	+1
Am. Int'l. Paper	39.14	+1
Am. Int'l. Paper	39.14	+1

CANADA

Stock	Price	Change
Alcan	39.14	+1
Bell	39.14	+1
Imperial Oil	39.14	+1
Inco	39.14	+1
Noranda	39.14	+1

AMSTERDAM

Stock	Price	Change
Alcoa	39.14	+1
Am. Int'l. Paper	39.14	+1
Am. Int'l. Paper	39.14	+1
Am. Int'l. Paper	39.14	+1

BRUSSELS/LUXEMBOURG

Stock	Price	Change
Am. Int'l. Paper	39.14	+1
Am. Int'l. Paper	39.14	+1
Am. Int'l. Paper	39.14	+1
Am. Int'l. Paper	39.14	+1

FARM
Brazil
Farmers
United

COMMUNITY

ALIC NOTI

SOUR

AL NOTICE

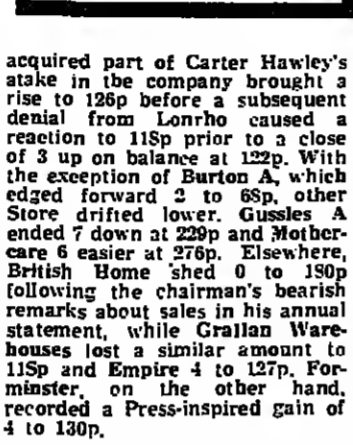
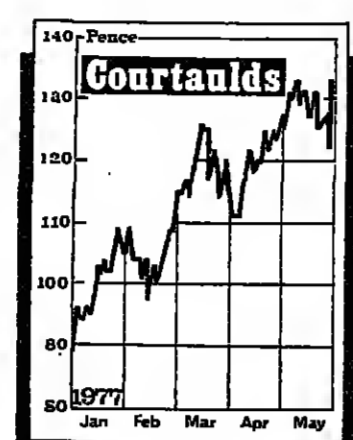
STOCK EXCHANGE REPORT

Further weakness in Gilt-edged on monetary fears Equities close above worst with index 1.0 off at 461.5

Account Dealing Dates Option First Declara- Last Account Dealings... Account Dealing Dates Option First Declara- Last Account Dealings...

the tendency settled and quotations began to move away from the lowest levels, usually by 1/2...

House of Fraser up Activity in House of Fraser featured Stores yesterday when speculative buying fuelled by rumours that Lorrho had...



finish at 400p for a rise of 6 on balance, while Beecham, 457p, and Glaxo, 507p, both ended a few pence lower...

Associated Engineering closed 4 cheaper at 114 1/2p despite interim figures in line with market expectations...

holding dipped 1/2 to 210p and Property Reversionary A 14 to 224p, while United Red was 17 lower at 215p...

Properties lower Still reflecting fears of an upturn in interest rates, Property shares encountered fresh selling...

Oil's steadier in the latter part of the day after encountering a fair amount of small selling. There was reasonable activity in Shell which touched 542p before settling at 548p...

Uranium fall Australian uranium issues fell away sharply in overnight Sydney and Melbourne markets following the second Fox interview...

FINANCIAL TIMES STOCK INDICES

Table with columns for various stock indices (Government, Industrial, etc.) and their values for different dates.

Based on 35 per cent. corporation tax. 1977-78. Filed in the U.K. under the provisions of the Companies Act 1967.

HIGHS AND LOWS S.E. ACTIVITY

Table showing high and low prices for various stocks and S.E. activity.

Gilt-edged went easier from the start and long-dated issues were soon showing further losses to a point and more but they were reduced to a limit of 1/2 by the close...

Banks drift down The big four Banks drifted lower with Barclays and Midland closing 1/2 lower at 235p and 235p respectively...

acquired part of Carter Hawley's stake in the company brought a rise to 128p before a subsequent denial from Lorrho caused a reaction to 118p prior to a close of 3 up on balance at 122p...

ICL disappoint Several miscellaneous industrial leaders managed to shake off initial dullness and closed slightly higher on balance...

Engineering leaders reacted in thin trading to close with modest losses. Hawker cheapened 6 to 824p, after 825p, and Tubex were 4 off at 432p...

Uranium fall Australian uranium issues fell away sharply in overnight Sydney and Melbourne markets following the second Fox interview...

Furness Withy, 300p, and James Fisher, 149p, put on 3 and 6 respectively. Walker Runciman, however, ended 2 off at 118p following the chairman's annual statement...

Uranium fall Australian uranium issues fell away sharply in overnight Sydney and Melbourne markets following the second Fox interview...

No relief for Gilts The atmosphere in British Funds was dismal again with sentiment continuing to reflect not only concern about the rate of inflation in the U.K. but also the uncertainty as regards the short-term outlook for sterling and domestic interest rates...

Down 10p on Wednesday following vague rumours of a broker's bullish circular, A.P. Cement opened easier and touched 180p before rallying late to finish 2 up on the day at 184p...

ICL started a sharp recovery following the better-than-expected first-quarter profits, rallying from an early depressed level of 392p to close 4 higher on the day at 402p, after 405p...

Engineering leaders reacted in thin trading to close with modest losses. Hawker cheapened 6 to 824p, after 825p, and Tubex were 4 off at 432p...

Uranium fall Australian uranium issues fell away sharply in overnight Sydney and Melbourne markets following the second Fox interview...

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Advertisement for Financial Times with text: 'THOSE REQUIRING THE FT DAILY, PLEASE SIGN BELOW:' and 'Dare you circulate this?' with a pair of scissors icon.

RECENT ISSUES

EQUITIES

Table of recent equity issues with columns for company name, price, and other details.

FIXED INTEREST STOCKS

Table of fixed interest stocks with columns for company name, price, and other details.

"RIGHTS" OFFERS

Table of rights offers with columns for company name, price, and other details.

ACTIVE STOCKS

Table of active stocks with columns for stock name, price, and other details.

OPTIONS TRADED

Table of options traded with columns for stock name, price, and other details.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Large table of FT-Actuaries Share Indices with multiple columns for different equity groups and sub-sections.

FIXED INTEREST YIELDS

Table of fixed interest yields with columns for yield type and rate.

NEW HIGHS AND LOWS FOR 1977

Table of new highs and lows for 1977 with columns for stock name and price.

RISES AND FALLS YESTERDAY

Table of rises and falls yesterday with columns for stock name and price change.

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Table of Authorised Unit Trusts listing various funds such as Brown Shipley & Co. Ltd., Guardian Royal Ex. Unit Mgmt. Ltd., and others with their respective details and prices.

Table of Offshore and Overseas Funds listing various international investment funds such as Fidelity Mgmt. & Res. (Bds) Ltd., Kemp-Gee Management Jersey Ltd., and others.

Table of Base Lending Rates listing various banks and their current lending rates for different terms.

INSURANCE, PROPERTY, BONDS

Large table of Insurance, Property, and Bonds listing various insurance companies, property management firms, and bond offerings with their details.

Table of Commodity Price Movements listing various commodities like wheat, sugar, and oil with their price changes over different periods.

Table of Insurance Base Rates listing various insurance policies and their corresponding base rates.

NOTES section containing additional information and disclaimers regarding the data presented in the tables.

FT SHARE INFORMATION SERVICE

HEALEY & BAKER SURVEYORS VALUERS AND AUCTIONEERS OF REAL ESTATE. Established 1820 in London. 29 St. George Street, Hammer Lane, London W1A 3SG. Tel: 01-252 9292. CITY OF LONDON 118 OLD BROAD STREET LONDON EC2N 1AR 01-628 4361

BRITISH FUNDS

Table of British Funds with columns for Stock, Price, and Dividend. Includes various fund names like Treasury Income, Treasury Growth, etc.

Shorts (Lives up to Five Years)

Table of Short-term investments with columns for Stock, Price, and Dividend. Includes Treasury Income, Treasury Growth, etc.

Five to Fifteen Years

Table of Medium-term investments with columns for Stock, Price, and Dividend. Includes Treasury Income, Treasury Growth, etc.

Over Fifteen Years

Table of Long-term investments with columns for Stock, Price, and Dividend. Includes Treasury Income, Treasury Growth, etc.

Undated

Table of Undated investments with columns for Stock, Price, and Dividend. Includes Treasury Income, Treasury Growth, etc.

INTERNATIONAL BANK

Table of International Bank investments with columns for Stock, Price, and Dividend. Includes various international bank names.

CORPORATION LOANS

Table of Corporation Loans with columns for Stock, Price, and Dividend. Includes various corporate loan names.

COMMONWEALTH & AFRICAN LOANS

Table of Commonwealth & African Loans with columns for Stock, Price, and Dividend. Includes various international loan names.

CANADIANS

Table of Canadian stocks with columns for Stock, Price, and Dividend. Includes various Canadian company names.

BANKS AND HIRE PURCHASE

Table of Banks and Hire Purchase investments with columns for Stock, Price, and Dividend. Includes various bank and hire purchase names.

Hire Purchase, etc.

Table of Hire Purchase, etc. investments with columns for Stock, Price, and Dividend. Includes various hire purchase names.

BEERS, WINES AND SPIRITS

Table of Beers, Wines and Spirits investments with columns for Stock, Price, and Dividend. Includes various beverage company names.

LOANS (Miscel.)

Table of Miscellaneous Loans with columns for Stock, Price, and Dividend. Includes various loan names.

FOREIGN BONDS & RAILS

Table of Foreign Bonds & Rails investments with columns for Stock, Price, and Dividend. Includes various international bond and rail names.

AMERICANS

Table of American stocks with columns for Stock, Price, and Dividend. Includes various US company names.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of Building Industry, Timber and Roads investments with columns for Stock, Price, and Dividend. Includes various construction and infrastructure names.

BUILDING INDUSTRY - Continued

Table of Building Industry - Continued investments with columns for Stock, Price, and Dividend. Includes various construction and infrastructure names.

CHEMICALS, PLASTICS

Table of Chemicals, Plastics investments with columns for Stock, Price, and Dividend. Includes various chemical and plastic company names.

CINEMAS, THEATRES AND TV

Table of Cinemas, Theatres and TV investments with columns for Stock, Price, and Dividend. Includes various entertainment company names.

DRAPERY AND STORES

Table of Drapery and Stores investments with columns for Stock, Price, and Dividend. Includes various retail and clothing company names.

BUILDING INDUSTRY - Continued

Table of Building Industry - Continued investments with columns for Stock, Price, and Dividend. Includes various construction and infrastructure names.

DRAPERY AND STORES - Continued

Table of Drapery and Stores - Continued investments with columns for Stock, Price, and Dividend. Includes various retail and clothing company names.

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DRAPERY AND STORES - Continued

Table of Drapery and Stores - Continued investments with columns for Stock, Price, and Dividend. Includes various retail and clothing company names.

ELECTRICAL AND RADIO

Table of Electrical and Radio investments with columns for Stock, Price, and Dividend. Includes various electronics and electrical company names.

ENGINEERING, MACHINE TOOLS

Table of Engineering, Machine Tools investments with columns for Stock, Price, and Dividend. Includes various engineering and manufacturing company names.

ENGINEERING - Continued

Table of Engineering - Continued investments with columns for Stock, Price, and Dividend. Includes various engineering and manufacturing company names.

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ENGINEERING - Continued

Table of Engineering - Continued investments with columns for Stock, Price, and Dividend. Includes various engineering and manufacturing company names.

INDUSTRIALS

Main table of Industrial stocks with columns for Stock, Price, and Dividend. Includes a wide range of industrial company names.

Handwritten note: 10/10/10

INDUSTRIALS - Continued

Table of stock prices for various industrial companies, including names like British Airways, British Petroleum, and British Steel, with columns for stock names, prices, and changes.

MOTORS, AIRCRAFT TRADES

Table of stock prices for companies in the motors and aircraft trades, including names like Rolls-Royce, Bristow Helicopters, and British Helicopters.

PROPERTY - Continued

Table of stock prices for property-related companies, including names like British Land, Guinness, and Anglo-Siam.

TRUSTS - Continued

Table of stock prices for trusts and investment funds, including names like British Trustee, British Venture, and British Venture.

TRUSTS - Continued

Table of stock prices for trusts and investment funds, including names like British Trustee, British Venture, and British Venture.

NOMURA logo and contact information for The Nomura Securities Co., Ltd., including London and New York offices.

MINES - Continued

Table of stock prices for mines, including Central African and Australian companies like Anglo American and De Beers.

AUSTRALIAN

Table of stock prices for Australian companies, including names like Anglo American and De Beers.

TINS

Table of stock prices for tin companies, including names like Anglo American and De Beers.

COPPER

Table of stock prices for copper companies, including names like Anglo American and De Beers.

MISCELLANEOUS

Table of stock prices for miscellaneous companies, including names like Anglo American and De Beers.

NOTES

Unless otherwise indicated, prices and set dividends are in pence and denominated in pence. Estimated price/earnings ratios are based on the latest available figures.

A Sterling denominated securities which include investment dollar denominated.

Prices at time of preparation. Indicated dividend if pending scrip and/or rights issues cover relates to previous dividend or forecast.

Free of Stock Duty. A dividend or interest payment is made to the shareholder or investor.

Merger bid or reorganization in progress. Not comparable.

Share interests reduced and/or reduced earnings indicated. Forecast dividend or interest payment.

Cover allows for conversion of shares not now ranking for dividends or interest payments. A forecast dividend or interest payment is based on previous year's earnings. A forecast dividend or interest payment is based on previous year's earnings.

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REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Table of regional market stock prices, including names like Anglo American and De Beers.

OPTIONS

3-month Call rates

Table of 3-month call rates for various companies, including names like Anglo American and De Beers.

A selection of Options traded is given on the London Stock Exchange Report page.

Commercial Vehicle

Table of stock prices for commercial vehicle companies, including names like British Leyland and Rover.

Components

Table of stock prices for component companies, including names like British Leyland and Rover.

Shipping

Table of stock prices for shipping companies, including names like British Shipbuilders and Harland & Wolff.

Shoes and Leather

Table of stock prices for shoes and leather companies, including names like British Leather and Clarks.

South Africans

Table of stock prices for South African companies, including names like Anglo American and De Beers.

Textiles

Table of stock prices for textile companies, including names like British Textiles and J. H. Rayner.

Paper, Printing, Advertising

Table of stock prices for paper, printing, and advertising companies, including names like British Paper and Newsprint.

Property

Table of stock prices for property companies, including names like British Land and Guinness.

Tobacco

Table of stock prices for tobacco companies, including names like British American Tobacco and J. H. Rayner.

Trusts, Finance, Land

Table of stock prices for trusts, finance, and land companies, including names like British Trustee and Guinness.

Far West Rand

Table of stock prices for far west rand companies, including names like Anglo American and De Beers.

O.F.S.

Table of stock prices for O.F.S. companies, including names like Anglo American and De Beers.

Finance

Table of stock prices for finance companies, including names like Anglo American and De Beers.

Diamond and Platinum

Table of stock prices for diamond and platinum companies, including names like Anglo American and De Beers.

Insurance

Table of stock prices for insurance companies, including names like British Insurance and Guinness.



THREE HOSTAGES RELEASED BY ANGRY MOLUCCAN GUERRILLAS

Dutch police fear reprisals

BY DAVID BUCHAN IN ASSEN AND MICHAEL VAN OS IN AMSTERDAM

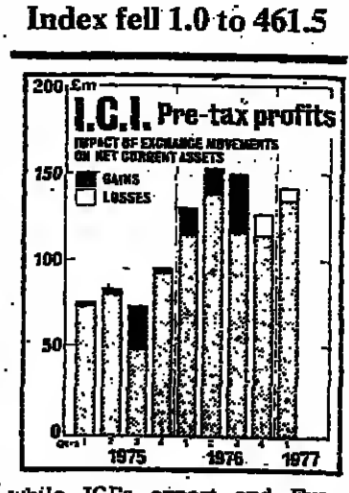
THE Dutch Government, reinforced by Wednesday's election victory, yesterday continued negotiations with the Moluccan guerrillas...

deliveries of food—they refused them almost until the end of the day saying "hostages do not need to eat..."

THE LEX COLUMN

Exports boost ICI and Courtaulds

Courtaulds and ICI between them turned the market in its tracks yesterday: their trading news played a big part in cutting a 7.3 point drop in the 30-Share Index...



New bond premium is 1/2% over rate

By Michael Blandon

THE GOVERNMENT'S long-awaited floating interest rate bond is a short-dated stock carrying interest at 1/2% over the Treasury bill rate...

Bhutto and opposition leaders agree to negotiate end to crisis in Pakistan

BY OUR OWN CORRESPONDENT

AFTER a fortnight's hectic mediation, Arab Governments and the Pakistan Liberation Organisation have succeeded in persuading Pakistan's ruling and opposition parties to suspend violent demonstrations...

His later offers to resolve the issue through a dialogue were turned down by the opposition, which also rejected his latest decision to hold a referendum to decide whether he should continue as Prime Minister.



Mr. Bhutto: Offer to hold new provincial elections...

Shell, Iran plan £135m. project

By Ray Deffer

SHELL AND the National Iranian Oil Company are to build a joint \$220m. (£135m.) refinery plant in Iran.

Port Talbot stewards reject British Steel peace formula

BY ALAN PIKE, LABOUR STAFF

THE two-month-old unofficial electricians' strike which has closed British Steel's Port Talbot plant and made 7,000 men idle is to continue, after the failure of peace talks last night.

June 11 end of pig subsidy

By John Cherrington, Agriculture Correspondent

MR. JOHN SILKIN, Minister of Agriculture, yesterday announced in the Commons that in deference to the ruling of the European Court, he will discontinue payment of the special U.K. pig subsidy on June 11.

Dayan move halts Israel talks on forming coalition

BY OUR FOREIGN STAFF

NEGOTIATIONS on the forming of a coalition government in Israel were halted yesterday, this came after the surprise announcement that Mr. Moshe Dayan, a former Defence Minister in successive Labour-led coalitions, had agreed to become Foreign Minister in a government under Mr. Menachem Begin, the Likud leader.

Weather

Table with weather forecasts for various regions: U.K. TO-DAY, Channel Is., S.W. England, etc.

Business Centres

Table with business centre forecasts: Amsterdam, Athens, Bahrain, Barcelona, Beirut, etc.

Holiday Resorts

Table with holiday resort forecasts: Algarve, Amalfi, Antalya, Azores, etc.

U.S. trade deficit

Continued from Page 1

surpluses, precisely the reverse to the U.S. He estimated the German services deficit at about \$150m-140m this year and that of Japan at about \$70m, but still contended that both countries had room to reduce the size of their trade surpluses...

LOB: "...promoting the better distribution of office employment throughout the country" Advertisement for Location of Offices Bureau, featuring Mr. Peter Shore, Secretary of State for the Environment.

Table with financial data: Business Centres, Holiday Resorts, and other market indicators.